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# ***Daily Report***

## **China**

FBIS-CHI-95-110  
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# Daily Report

## China

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## General

### Foreign Ministry Holds Weekly News Conference

#### Li Visit: Measures Threatened

HK0806094295 Hong Kong AFP in English  
0900 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (AFP)—China warned Thursday that further retaliatory measures against Washington for allowing a private visit by Taiwanese President Li Teng-hui would "far outweigh" the steps Beijing has already taken. Li arrived in the United States on Wednesday [8 June], despite fierce Chinese protests that have already seen Beijing cancel high-level Sino-US talks on controlling missile technology and nuclear cooperation.

The visit "will have very serious potential negative effects on bilateral ties ... which will far outweigh the steps the Chinese side has taken so far," Foreign Ministry spokesman Shen Guofang said. While declining to specify what further measures China may take in retaliation, Shen said their impact "would be felt in all areas," including Sino-US trade ties.

He also dismissed suggestions that the Chinese reaction so far to Li's visit had been milder than the one which followed the sale of French Mirage fighter planes to Taiwan in 1992 — which saw Beijing close the French consulate in Guangzhou. "This is a very grave incident, and I do not think the Chinese response has been mild," Shen said, adding that the long-term consequences of Li's visit for Sino-US ties would become clearer in time. "A skin disease is visible, but less serious than the cancer that you cannot see," he said.

Li's US trip — sanctioned by President Bill Clinton after intense pressure from the Republican-dominated Congress — is the first by a Taiwanese leader since the United States switched diplomatic recognition from Taipei to Beijing in 1979. China has viewed Taiwan as a renegade province ever since Nationalist forces fled to the island in 1949 after a losing a civil war to the Communists on the mainland. China strictly proscribes any countries with which it has diplomatic relations from according any official recognition to Taipei.

#### Following Visit 'Closely'

OW0806095795 Beijing XINHUA in English  
0931 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — A spokesman for the Chinese Foreign Ministry said here today that China is following closely on the further developments on Li Teng-hui's visit to the United States.

Asked at a press conference what further reaction China will have on Li's arrival in the United States, Spokesman Shen Guofang said that China "has already made its positions more than clear on the U.S. Government permission of Li Teng-hui's visit to the United States in great jeopardy of the basis of Sino-U.S. relations." [XINHUA Domestic service in Chinese at 0958 GMT on 8 June in a similar report reads: "...the United States in great jeopardy [yan zhong sun hai 0917 6850 2275 1364] of the basis..."]

He noted that "we want to express our utmost dissatisfaction on the U.S. Government's obstinately clinging to its wrongful position."

"We are closely following the developments of the matter," the spokesman said.

#### On Visit, Other Issues

OW0706143995 Beijing China Radio International  
in English  
to Western North America 0400 GMT 7 Jun 95

[From the "Current Affairs" program]

[FBIS Transcribed Excerpt] China once again criticized the U.S. decision to allow Taiwan leader Li Denghui [Li Teng-hui] to visit the United States. A Chinese Foreign Ministry spokesman said the decision has seriously damaged Sino-U.S. relations. CRI's Wang Huaiyu attended Tuesday's [6 June] press conference on this issue and has the details:

As Li Denghui will pay a visit to the United States Wednesday, China says it will take further action against the U.S. decision. Foreign Ministry spokesman Shen Guofang declined to say what measures China will take against Li Denghui's visit. However, he warned through the interpreter that this incident would harm bilateral relationship between China and the U.S.

Shen Guofang said the decision to allow Li Denghui to visit the U.S. serves no interests to the United States or China. He said the U.S. side has taken back its previously repeated declaration not to allow the Taiwan leader to visit the U.S. [passage omitted on U.S. granting MFN trading status to China]

Shen Guofang also announced the results of the recent investigation carried out by Japan into chemical warfare during the Second World War when Japan invaded China. After the investigation concluded on Monday, Japan has acknowledged that chemical weapons found in northeast China's Jilin Province belong to Japan. The spokesman called the investigation the beginning of a settlement on the issue. [passage indistinct]



According to international provisions on chemical weapons, countries that leave behind chemical weapons in other countries have the obligation to destroy the weapons. For CRI, I am Wang Huaiyu.

#### **Cambodian Minister To Visit**

OW0806085795 *Beijing XINHUA in English*  
0844 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — Ung Huot, minister of foreign affairs and international cooperation of the Kingdom of Cambodia, will pay an official visit to China from June 14 to 17 at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen.

This was announced by a spokesman for the Chinese Foreign Ministry here today.

#### **Australian Official To Visit**

OW0806090195 *Beijing XINHUA in English*  
0847 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — Stephen Martin, house speaker of the parliament of Australia, will pay a goodwill visit to China from June 10 to 16 at the invitation of the Standing Committee of the National People's Congress.

This announcement was made by a spokesman for the Chinese Foreign Ministry here today.

#### **On Japanese History, Relations**

HK0806073095 *Beijing ZHONGGUO XINWEN SHE*  
*in Chinese* 1248 GMT 6 Jun 95

[FBIS Translated Text] Beijing 6 Jun (ZHONGGUO XINWEN SHE) — In answering reporters' questions this afternoon, Shen Guofang, spokesman of the Chinese Ministry of Foreign Affairs, stated that Japan launched aggressive wars against many Asian countries in the past, and pursued colonial rule on the Korean peninsula, thus bringing great disasters to the peoples of various countries. This is an undeniable historical fact, regarding which the Japanese Government should have a very earnest attitude. How Japan sees and deals with its history of invading other countries is an issue of common concern to the Chinese people, as well as to the peoples of various Asian countries.

While answering reporters' questions at the Ministry of Foreign Affairs news conference this afternoon, Shen Guofang stressed that the relationship between China and Korea [DPRK] is based on the five principles of peaceful coexistence, and their ties are normal diplomatic relations. He added that both the DPRK and the ROK are China's neighboring countries; to maintain

friendly relationships with them is conducive to maintaining peace and stability on the Korean peninsula.

#### **U.S., DPRK Agree To Continue Nuclear Talks**

SK0706141195 *Beijing China Radio International*  
*in Korean* 1100 GMT 7 Jun 95

[FBIS Translated Text] The delegates to the U.S.-DPRK nuclear negotiations said yesterday that the sides would remain in Kuala Lumpur, capital of Malaysia, and continue their negotiations.

After the three-hour negotiations yesterday, (Han Sok-won), a DPRK delegate, told reporters that even though two DPRK delegates had returned home after being recalled, the remaining five delegates would remain in Kuala Lumpur and hold extensive negotiations with the United States. He declined to answer the question of whether any breakthrough was achieved in yesterday's negotiations. He said that the DPRK Government recalled the two delegates because the negotiations had taken a long time and because no progress had been made.

Thomas Hubbard, the U.S. senior delegate and deputy assistant secretary of state, said yesterday: Due to the efforts by the sides' delegates, some progress was made in narrowing differences in views.

He went on to say: I feel sorry that the sides failed to completely remove differences in views in the extended negotiations. However, the delegates of the two sides will continue the negotiations.

The DPRK-U.S. nuclear negotiations have lasted for 20 days since they started on 20 May. The sides had all along failed to reach an agreement on which country's light-water reactors will be provided to the DPRK.

The DPRK has resolutely opposed the supply of ROK-model light-water reactors on which the United States insists.

#### **SRV Denies Charges on U.S. Prisoners**

BK0806035195 *Beijing China Radio International*  
*in Vietnamese* 1100 GMT 7 Jun 95

[FBIS Translated Text] The Vietnamese Foreign Ministry on 6 June denied charges that U.S. prisoners are still held captive in Vietnam.

Former U.S. Democrat Party congressman Hendon said in Hanoi on 5 June that in a prison 60 kms northeast of Hanoi, U.S. prisoners are still being held captive.

Fearing that the truth would be covered up, Mr. Hendon yesterday said he would only give relevant information to U.S. officials in the presence of newsmen. When his



demand was turned down, Mr. Hendon protested by chaining himself to the entrance gate of a U.S. military office in Hanoi.

In the statement, the Vietnamese Foreign Ministry pointed out that Mr. Hendon's speeches and deeds do not reflect the truth and that they are aimed at obstructing the development of Vietnamese-U.S. relations.

The statement reaffirmed that after returning 591 prisoners to the United States in 1993, Vietnam no longer holds any U.S. prisoners or any betrayers [former Saigon regime officials] captive.

**Column on U.S. Diplomatic Activities in Balkans**

HK0806061495 Beijing RENMIN RIBAO in Chinese  
30 May 95 p 6

["News Analysis" column article by Yan Zheng (0917 2973): "The United States Is Strengthening Its Diplomatic Activities in the Balkans"]

[FBIS Translated Text] Since the beginning of this month, the United States has launched intense diplomatic activities in the Balkans.

In the first half of the month, U.S. special envoy Robert Frasure held secret talks with the president of the self-proclaimed Bosnian Serb Republic on the resolution of the Bosnia-Herzegovina conflict. On 15 May, the United States invited the Macedonian defense minister to visit the United States, during which both sides "discussed in depth" issues concerning the grim situation in Bosnia and the strengthening of cooperation. They both agreed that in the event that the situation in Bosnia deteriorates further and the United Nations Protection Forces are withdrawn or reduced, their number stationed in Macedonia will be increased. On 22 May, led by the United States, Albanian troops left the country for the first time and participated in United Nations military maneuvers coded "95 New Spirit" in Greece. The United States also decided that it will once again conduct military maneuvers in cooperation with Albanian troops in the second half of the year. The United States noted that it will seriously consider Albania's application to join NATO as soon as possible. In addition, the United States has also strengthened ties with Greece, including sending more high-ranking officials to visit Athens.

The United States has attached importance to the Balkans due to its actual goals and long-term considerations. Judging from the current situation, the United States wants to mediate in the Bosnia-Herzegovina conflict by itself in an attempt to show that its role in European affairs is indispensable. From the angle of long-term development, it wants to safeguard its "dominant

power" in European affairs by strengthening its influence and status in Albania.

The conflict in Bosnia-Herzegovina has gone on for more than four years. Although relevant international organizations have adopted measures to mediate, boycott, and even apply military pressure, they have failed to change the stand of the warring parties. Up to now, they still refuse to extend the ceasefire and boycott peace talks. Fighting has been renewed in Sarajevo and Bi-hac. At a loss as to what to do, the major European nations and the United States have pointed accusing fingers at each other. Some U.S. publications publicize that the "international community could not take firm action without the strong leadership of the United States," and that the Bosnia-Herzegovina conflict may spread, possibly embroiling the major European nations or even the United States. Against this background, Frazier went all alone to Belgrade in a bid to use "U.S. power" to persuade Serbia to accept the new overtures he brought with him. That is, the United Nations will temporarily stop imposing sanctions against Yugoslavia for 200 days (except for the oil and arms embargoes as well as sanctions on international loans), in exchange for Yugoslavia's recognizing Bosnia-Herzegovina and exerting pressure on Bosnian Serb leaders to accept the peace plan. According to a spokesman for the U.S. State Department, if Belgrade accepts the new overtures, it will be of "great significance" in preventing an expansion of the war in Bosnia-Herzegovina.

In fact, the above diplomatic actions taken by the United States are not only aimed at the Bosnian Serbs but at the Balkans as a whole. U.S. Defense Secretary William Perry made it clear recently that "the Balkans as a whole are very important to the United States." The Balkans are bounded by three continents, namely, Europe, Asia, and Africa, linking western to eastern Europe and northern to southern Europe, as well as important corridors of Asia and Africa. It is a place over which military strategists have long fought. The complexities and clashes of a great many countries, nationalities, religions, and cultures in this area have always led to conflicts and wars. Hence, the Balkans are also known as the "European powder keg," affecting the nerves of Europe and having a bearing on the security and stability of the entire continent. The Bosnian-Herzegovinian and Macedonian peoples are the most complicated and have had the most boundary disputes. So, they are also considered to be the most dangerous potential cause of war. In addition, if the United States strengthens its influence and status in the Balkans, it could limit the rival European Union's plan to expand into eastern and southern Europe while putting "Russia in long-

term semi-isolation." This will help the United States maintain its "dominant power" in European affairs.

It seems that from the above considerations, the United States is changing its stand on and has begun to actively intervene in the Bosnia-Herzegovina conflict. Sending the special envoy to Belgrade for mediation is a case in point. Moreover, under the pretext of preventing the war from further spreading to Macedonia, which could cause a Balkans war, the United States has sent 550 U.S. servicemen as part of the United Nations surveillance forces to help maintain stability there. The United States is also reportedly considering sending another 1,500 servicemen to Macedonia. It has also strengthened military cooperation with Balkan countries such as Greece and Albania.

Can the U.S. policy on Bosnia-Herzegovina and the entire Balkans achieve success? The domestic media in the United States also doubt it. An article recently published in the American LOS ANGELES TIMES said that with the end of the Cold War, the status and strength of the United States in the world are weakening. It can neither make NATO internally identify with it nor have its own way in the United Nations Security Council. It will be very difficult for the United States to realize its diplomatic intentions in the Balkans.

#### **New UN Ambassador Presents Credentials**

OW0706232895 Beijing XINHUA in English  
2207 GMT 7 Jun 95

[FBIS Transcribed Text] United Nations, June 7 (XINHUA) — Qin Huasun, the new Permanent Representative of China to the United Nations, presented his credentials to Secretary-General Butrus Butrus-Ghali today.

Speaking at the ceremony, Qin told the UN Chief that his country will continue to pursue an independent foreign policy of peace and work together with the general membership, in accordance with the purposes and principles of the UN Charter, to "further strengthen the role of the United Nations in maintaining international peace and security and promoting development of all countries."

The Secretary-General said that as a founder-member of the world organization and a permanent member of the Security Council, China is "one of the most important actors in international affairs."

"I am sure that through our cooperation we will reinforce the United Nations and reinforce relations between China and the United Nations," he said.

Born in September 1935 in Jiangsu Province, Qin's past appointments include Assistant Foreign Minister

since 1993; Director-General of the Department of International Organizations and Conferences of the Foreign Ministry (1990-93); Permanent Representative to the UN And other international organizations in Vienna (1987-1990); and Counselor and Deputy Permanent Representative to the UN Office in Geneva and other international organizations in Switzerland (1984-87).

Qin is here to replace Li Zhaoxing, who left New York in early May after two-years as China's Permanent Representative to the UN. Li currently works as Deputy Foreign Minister in Beijing.

#### **Eighteenth Pacific Science Congress Continues**

##### **Councillor Speaks on Development**

OW0606135395 Beijing XINHUA in English  
1302 GMT 6 Jun 95

[FBIS Transcribed Text] Beijing, June 6 (XINHUA) — A Chinese Government official explained at an international meeting here today the country's efforts for a coordinated economic and social development while tackling population and environment problems.

In an address at the 18th Pacific Science Congress, State Councillor Peng Peiyun said, "We are full of confidence in the future of the world as well as of China, although we are challenged by population and development problems."

She said that China's burgeoning population has hindered the country's economic and social development and people's standard of living, and had a negative effect on environmental protection and utilization of natural resources.

China is the most heavily populated country in the world, with 1.2 billion people (not counting those of Taiwan, Hong Kong, and Macao), and the environment in certain areas has shown a gradual deterioration due to shortages of some important resources such as arable land, forests, grassland, and fresh water.

Peng said that in order to accelerate the overall progress of society, the Chinese Government is determined to quicken the pace of establishing a socialist market economy and having sustained and rapid development of the national economy.

She said that China will produce a white paper on population, environment, and development in the 21st century with a comprehensive development strategy explaining the idea of sustainable development.

The State Councillor said that China has also decided to put a strategy of rejuvenating the country through pushing science and education into effect.

In addition, China will keep the growing population in check by continuing the policy of family planning, and work hard to raise the quality of life, she explained.

#### Minister Addresses Conference

OW0706123295 Beijing XINHUA in English  
1132 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — China has sent a total of 220,000 people to study abroad since 1978 when the reform and opening up was introduced, an official revealed here today.

The students have been scattered among about 100 countries and regions, according to Zhang Tianbao, vice minister of the State Education Commission.

Zhang told the on-going 18th Pacific Science Congress in a keynote speech that the Chinese universities have also received 70,000 students from 140 countries and regions in the past 17 years.

Meanwhile, more than 10,000 overseas experts and teachers are working and lecturing in Chinese universities, while many Chinese language teachers are teaching in 30 countries.

"China will send more people to study abroad," Zhang said.

"The policy that people are encouraged to study abroad and come back, and that they have the freedom to go abroad and return to China, will remain unchanged," he added.

He also said that China welcomes overseas organizations and personnel to run schools jointly with their Chinese counterparts.

"China's education has benefited from the aid of the friendly overseas people, and the convening of the Pacific congress is providing us with an opportunity to boost international co-operation," the official noted.

As a developing country, China has the biggest population to receive education in the world.

Population, education and culture are among the central themes of the congress which is being attended by more than 1,000 scholars and experts from some 50 countries and regions.

#### 'Wide Range of Issues' Covered

OW0706135495 Beijing XINHUA in English  
1313 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — Centering on the basic theme 'Prospects and Counter-moves to the Population, Human Resources, and Natural Environment', the symposia at the 18th Pacific Science

Congress covered a wide range of issues, according to sources at the congress.

The topic of global climate and environmental changes generated "a heated" discussion by scholars who showed great concern for the impact on climate, agriculture, water resources, the development of islands and the coastline around the Pacific, and the role the Pacific plays in global changes.

Scientists gave a number of talks on engineering projects and the impact of global changes on the frequency and severity of natural calamities.

Speaking of the Global Information Project, they "reached a common viewpoint that mankind should make better use of electronic information and high technology, such as communications networks and information data systems, in a move to take human society into a new information period."

Other major themes include Population, Education and Culture, Exploitation, Utilization, and Protection of Resources, Diversity of Organisms, as well as Sustainable Development and North-South Co-operation.

The large-scale multi-disciplinary international academic congress, scheduled for June 5 to 12, is being held in China for the first time.

The congress has drawn nearly 1,600 delegates, including scientists, engineers, educators, and social activists, giving more than 1,300 speeches. About half of the attendants are from China.

#### International Workshop on Policy Options To Open

OW0706131195 Beijing XINHUA in English  
1224 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — Chinese Vice Premier Wu Bangguo said here today the socialist system and market economy can be combined and that China will find the way to State-owned enterprise reforms with its own Chinese characteristics.

Wu made the remarks in a meeting with Nicolas Hope, director of the China and Mongolia Department of the World Bank, and a group of people participating in the International Workshop on Policy Options for State Owned Enterprise Reforms, which opens here tomorrow.

The two-day workshop, co-sponsored by the State Economic and Trade Commission, the Ministry of Finance, and the World Bank, is examining China's own particular difficulties with State-owned enterprise reform in the light of other countries' experiences.



While extending a welcome to the participants, Wu noted the "very good cooperative relations" between China and the World Bank, which he said has offered this country much useful advice in its reforms and opening up process.

"Reforms of State-owned enterprises constitute the core of this year's economic restructuring in China," Wu told Hope and his party, and voiced the hope that the seminar will produce useful advice.

The Chinese vice premier, who is mainly in charge of industrial production and State-owned enterprise reforms, said, "So long as we strengthen our resolve and do a good job, can we find the road to State-owned enterprise reforms with Chinese characteristics."

He called for a reform mechanism in which the worthless will be discarded and the superior be rewarded so that resources will be put to the best use.

The reforms, restructuring, and management of enterprises can be unified, he said.

The vice premier also said that he is confident that the problems that some State-owned enterprises face will be solved in a step-by-step manner.

Hope, in turn, pointed to the "classic" and "excellent" relationship between the World Bank and China since the 1980s, adding that the World Bank "values" its relations with China, and is proud of its participation in China's very successful economic reforms.

It is very important for China to carry out "gradual" State-owned enterprise reforms if it hopes to have excellent economic achievements in the years ahead, the World Bank official explained.

**Minister Addresses International Labor Conference**  
OW0706133695 Beijing XINHUA in English  
1313 GMT 7 Jun 95

[FBIS Transcribed Text] Geneva, June 7 (XINHUA) — China today urged governments to adopt practical employment measures and get more involved in international cooperation in their endeavors to boost employment and eliminate poverty.

"Promotion of employment and elimination of poverty can only be achieved by expanding international cooperation and practising development strategies in line with the actual conditions of various countries," said Chinese Labor Minister Li Boyong at the 82nd conference of the International Labor Organization.

"For the developing countries, there is a special need to achieve faster economic growth so as to create necessary conditions for employment expansion," he noted.

Referring to China's experience, Li said economic growth is the basis for full employment and social progress.

A total of 75 million jobs have been created during the decade after China adopted the policies of reform and opening to the outside world. While the jobless rate is kept under 3 percent, living standards have improved with an annual wage rise of 4.3 percent in real terms.

Such success in employment in a country that accounts for 22 percent of the world's total population was based on its rapid and sustained economic growth, Li told some 2,000 delegates at the meeting that opened Tuesday here and is expected to last three weeks.

Other countries should formulate and implement practical employment policies according to their own conditions and in a creative way, Li pointed out.

International cooperation is becoming more important in reducing unemployment and poverty, in view of the greater economic interdependence around the globe, the Chinese labor minister stressed.

He also urged richer countries to do more for their poor neighbors to get rid of poverty and reduce unemployment.

## United States & Canada

### Further Reportage on Li Teng-hui's U.S. Visit

#### Students Oppose Visit

HK0706130795 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1126 GMT 1 Jun 95

[By reporter Liu Liping (0491 4539 1627): "Chinese Students in United States Write to Clinton, Expressing Their Opposition to Li Dengui's [Li Teng-hui] Visit"]

[FBIS Translated Text] Washington, 31 May—Today, Chinese student organizations in the United States distributed to the press circles an open letter addressed to President Clinton, expressing their opposition to Li Denghui's visit to the United States. The signatures were collected through their e-mail networks across the United States.

The students said in the letter: Sino-U.S. relations and cooperation are improving and developing in all areas ranging from military, international politics, economy, and trade to science and technology, education, and culture. The world's largest economic power and the world's largest potential market are removing barriers and deepening understanding. We are worried that all these positive phenomena will go into reverse following

Li's visit to the United States and its indication of a dramatic change in the United States' China policy.

The Chinese students noted in the open letter: Allowing Li Denghui to visit the United States will first undermine the U.S. diplomatic reputation. To convince Congress, the U.S. State Department has all along issued a great number of formal statements on why Li is not allowed to visit the United States, and the statement was also repeated recently. These well-known reasons are hardly consistent with Clinton's reasons for suddenly allowing Li to visit the United States. From now on, in all international talks, not only China but also other countries can cite this example to query the changeability of any promise made by the United States in the international community. What is the reward for paying such a high price? Is it worthwhile?

The Chinese students finally said in the open letter that allowing Li's visit to the United States and changing the policy framework on China are not in the interest of the United States. They called on Clinton to exert his influence, remove obstacles, and maintain the stability of U.S. foreign policy and Sino-U.S. relations.

#### U.S., Taipei 'Miscalculated'

HK0806034995 Hong Kong WEN WEI PO in Chinese  
3 Jun 95 p 1

[Special article by staff reporter Li Xiaobing (2621 4562 0393): "Both the United States and Taiwan Have Miscalculated — Interviewing Wang Zaixi, Research Fellow of the Society for International and Strategic Studies"]

[FBIS Translated Text] Beijing, 2 Jun (WEN WEI PO)—The U.S. Government's allowing Li Denghui [Li Teng-hui] to visit the United States has caused strong objections from the Chinese Government and people of various circles. Wang Zaixi [3769 0961 1585], a Beijing Taiwan affairs expert and research fellow of the Society for International and Strategic Studies, points out that the United States and Taiwan want to utilize each other—the former wants to use Taiwan to restrain China and the latter wants to create "two Chinas." He said that this move violates the wishes and basic interests of the people in China and the United States and seriously hurts the feelings of the Chinese people. He expresses regret and indignation regarding this.

According to Wang Zaixi, the Clinton administration's allowing Li Denghui to visit the United States reflects that the United States' Taiwan policy continues to witness subtle changes. Wang Zaixi says that, just as Bush's decision to sell F-16s to Taiwan could not save him from electoral failure, Clinton's permission for Li

Denghui to visit the United States may not necessarily bring him any advantages in next year's elections.

#### Shortsighted Concept in U.S. Political Circles

Wang Zaixi points out that judging from the "overwhelming" vote in the House of Representatives and the Senate, party differences in Congress have disappeared; this shows that, being misled by the press, quite a number of persons in U.S. political circles have a wrong concept, that is, after the conclusion of the Cold War and the disintegration of the Soviet Union, China has become a major opponent to the United States in the area of ideology. China has rapidly developed its economy in recent years while cross-strait relations have also had great development; Jiang Zemin raised the eight-point proposal on peaceful reunification in this year's spring festival, Lien Chan and Li Denghui responded one after another, and objectively the pattern of indirect dialogue between the senior levels of both sides of the strait has already taken shape, so the United States is worried that once China is reunified, it will rapidly grow in strength and challenge its dominant position; therefore it is trying every trick to restrain China. Since suffering setbacks in its attempts to restrain China with the human rights issue and the most-favored-nation issue, the United States is attaching greater importance to playing the Taiwan card in an attempt to use Taiwan to restrain China.

#### Will Affect Cross-Strait Relations

Wang Zaixi frankly says that such a concept in U.S. political circles is very wrong and shortsighted. China has always advocated peace and development. As an important force safeguarding stability in the region and in the international community, China's growth in strength and reunification can only mean good, not harm, to a stable world situation and economic prosperity in the Asia-Pacific region. Between China and the United States there is a vast area for cooperation, and cooperation between the two sides not only will not hurt U.S. interests, but will be conducive to the economic development of both sides and to the world's prosperity and stability. If the two countries cooperate, both reap benefits; if they struggle against each other, both suffer damage. What is regrettable is that the senior level in the United States has not clearly seen this point; conversely, it has often made moves that hurt Sino-U.S. relations.

Regarding the remarks in Taiwan which call the permission for Li Denghui to visit the United States a "breakthrough in pragmatic diplomacy," Wang Zaixi points out that this kind of mentality, which ignores the great cause of the nation [min zu 3046 2469] and which relies on a foreign country for survival, is deplorable. In



fact, this unscrupulous method of pulling foreign force over to one's side will have an unfavorable impact on Taiwan itself and on cross-strait relations.

#### **Taiwan Degenerates Into Foreign Country's Tool**

First, it is unfavorable as far as the Guomintang's [Kuomintang's] image is concerned. According to the press, to achieve his purpose of visiting the United States, Li Denghui has thrown away a large amount of money; the donation to Cornell University alone has already amounted to \$4.5 million. This hard-earned Taiwan taxpayers' money should have been spent on construction and the people's well-being in Taiwan, but it has been spent on dollar-power politics; the people in Taiwan have already shown dissatisfaction over this.

Second, it is unfavorable to the development of cross-strait relations. Taiwan vigorously pursues "pragmatic diplomacy," which will inevitably lead to intensification of the conflict and struggle between the two sides of strait in the international arena, thus adversely affecting the developing cross-strait relations. Recently, some knowledgeable persons in Taiwan and Hong Kong have expressed worries about this.

Furthermore, it is unfavorable to peaceful reunification of the two sides of the strait in the long run.

Wang Zaixi says that the cross-strait issue is a matter for the Chinese people themselves, and should be settled by the Chinese people themselves. The method of seeking help from foreign forces used by the Taiwan authorities can only undermine the development of ties between the two sides of the strait, and it will certainly cause strong objections from the entire Chinese people, including compatriots in Taiwan.

#### **Further on 'Miscalculation'**

*OW0806111995 Beijing China Radio International  
in English  
to Western North America 0400 GMT 8 June 95*

["News analysis" by Lin Xiaowen]

[FBIS Transcribed Text] China has again blamed Washington for its decision to allow Li Denghui [Li Teng-hui] to visit the United States. The Chinese Foreign Ministry described it as a very serious incident in bilateral relations. CRI's [China Radio International] Lin Xiaowen has this news analysis:

[Begin Lin recording] The U.S. cited two excuses for clinging to its decision. It claims that Li Denghui's visit is unofficial and private. However, common sense would show that whatever the pretext, the visit is political in nature due to the president's [as heard] special status. Even Li Denghui himself has made no

effort to hide that fact. In a recent rally in Taiwan, he declared that the most important thing about his visit is to illustrate the existence of the so-called Republic of China [ROC]. This is a negative expression of the political purpose of the so-called personal visit. By permitting Li Denghui to visit the United States, Washington is brazenly supporting the attempt to create two Chinas or one China, one Taiwan.

Another excuse cited by Washington is the U.S. Congress. There are indeed a few people in the U.S. Congress who are biased against China. Some of them have not even recognized the People's Republic of China [PRC] up until now. But having different systems of government should not be used as an excuse by any country to undermine the sovereignty and unity of other countries. The three Sino-U.S. joint communiques have clearly stipulated that the United States recognizes the government of the PRC as the sole legitimate government of China, there is only one China, and Taiwan is part of China.

The U.S. administration, representing the United States, has the responsibility to use its authority and influence to uphold its international commitment. Some Americans believe China's protests and objections in this matter have been no more than gestures, for China needs U.S. help as it develops its economy. That is a total miscalculation of the actual situation in China. The Taiwan question bears on the sovereignty, territorial integrity, and the great cause of peaceful reunification of China. The Chinese Government and its people will never accept actions by any country which are detrimental to the fundamental interests of the Chinese nation.

At present, both sides of the Taiwan Strait still have some political differences. But more and more Taiwanese are realizing that developing relations across the strait is a trend of the times. And the Chinese people believe that the peaceful reunification of China is also a trend of the times which cannot be reversed by anyone.

For China Radio International, I am Lin Xiaowen. [end recording]

#### **Beijing To 'Further React'**

*HK0806070695 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1244 GMT 6 Jun 95*

[FBIS Translated Text] Beijing 6 Jun (ZHONGGUO XINWEN SHE) — Should the United States fail to change its decision on allowing Li Denghui [Li Teng-hui] to visit the United States, and should Li Denghui make good his trip to the United States as scheduled, would the Chinese side take further diplomatic action? Shen Guofang, spokesman of the Chinese Ministry of

Foreign Affairs said this afternoon: The Chinese side will further react in accordance with the development in the state of affairs [zhong fang jian hui shi shi tai fa zhan zhao chu jin yi bu fan ying 0022 2455 1412 2585 6018 0057 1966 4099 1455 0155 0427 6651 0001 2975 0646 2019].

Shen Guofang stated that China holds the view that the U.S. Government's allowing Li Denghui to visit the United States does not fall in line with the interests of the United States, nor does it fall in line with Sino-U.S. interests; it must be said to be a grave incident [yan zhong shi jian 0917 6850 0057 0115] in the Sino-U.S. relationship.

Shen added: We still remember clearly that before the U.S. Government made the decision to allow Li Denghui to visit the United States, it stated that for any person with an official title, like Li Denghui, to visit the United States — whether it be a private visit or for other purposes — this inevitably would be regarded as an act changing the U.S. non-governmental relationship with Taiwan, and would endanger the important foundation of U.S. non-governmental relationship with Taiwan, as well as its official relationship with the PRC. Once again, they stated that they would not change the position of refusing to allow Li Denghui's visiting the United States. Nevertheless, a couple of days later, the U.S. side changed its position by allowing Li Denghui to visit the United States. "It is beyond our understanding why the United States, as a great power, should have done this."

To meet reporters' broad demand, the Chinese Ministry of Foreign Affairs has decided to change its once-a-week news conference to twice a week, and the time is set for each Tuesday and Thursday, effective 6 June. Today is the first time the new decision has been implemented.

#### Beijing To 'Respond Further'

HK0806100895 Hong Kong TA KUNG PAO  
in Chinese 8 Jun 95 p a2

[Editorial: "The Consequences of Li Denghui [Li Tenghui] U.S. Visit Must Not Be Ignored"]

[FBIS Translated Text] Taiwan "President" Li Denghui left for the United States yesterday, to attend an alumni meeting of Cornell University in New York; he went in the name of a "private visit," to carry out "alumni diplomacy," but in fact he is going to promote "two Chinas," or "one China, one Taiwan," in an attempt to carry out his plan of dividing the motherland.

The Chinese side has reacted strongly to the permission given by the Clinton administration for Li Denghui to

visit the United States. The Foreign Ministry spokesman pointed out that this is a "serious matter in Sino-U.S. relations," and that "China will respond further depending on the development of the incident."

First of all, Li Denghui's visit to the United States has cast a shadow over Sino-U.S. relations; second, it is not conducive to cross-strait relations, and it hinders the process of peaceful reunification; and third, it is a boost to the arrogance of the "independence" forces inside and outside Taiwan.

Sino-U.S. relations will inevitably retrogress due to Clinton's permission for Li Denghui to visit the United States. Since the formal establishment of diplomatic ties between China and the United States, trade, economic, cultural, scientific, and technological exchanges between the two countries have made continuous progress, and the two countries are permanent members of the UN Security Council; in particular, the two countries have had good cooperative relations in safeguarding world peace and handling major international affairs steadily since the conclusion of the Cold War. Even though past U.S. administrations have had some friction with the Chinese Government due to the Taiwan issue, they never made the unprecedented move by the Clinton administration to allow Li Denghui to visit the United States. China believes that the Clinton administration has brazenly violated the three communiques between China and the United States, and no matter in how low-key a manner it handles Li Denghui's U.S. visit, just the permission for his visit itself is a violation of the spirit of the three Sino-U.S. joint communiques on establishing diplomatic relations between the two countries, and a destruction of the foundation for the development of ties between China and the United States. Objectively, because of his special status, Li Denghui's U.S. visit, be it a private one or in any other capacity, is for creating "one China, one Taiwan" or "two Chinas" in the international community. As far as China is concerned, its firm position on the Taiwan issue is to uphold the principle of one China. China's sovereignty and territory cannot be divided, and China is resolutely opposed to any words or deeds which create "Taiwan independence," as well as to advocacy which violates the principle of one China.

China has no objection if Taiwan develops nongovernmental ties with foreign countries in the areas of economy, culture, and sports, but China is opposed to the activities for so-called "expanding international space for existence" pursued by the Taiwan authorities with the purpose of promoting "two Chinas" or "one China, one Taiwan." Regarding the "vacation diplomacy" and "private diplomacy" so vigorously pursued by Li Denghui in recent years, the mainland side has repeatedly laid

bare his actual purpose, which is to ask the international community to admit that Taiwan is a "political entity" that parallels the mainland, and in essence he is creating "one China, one Taiwan," or "two Chinas."

Taiwan has developed its economy in recent years, and after Li Denghui came to power, he actively promoted economic diplomacy, and carried out activities in the international community with money as backup, and his aim was not economic interests, but also [as published] harbored the political objective of dividing Taiwan from China.

Judging from Li Denghui's words and deeds since he took office, all of them implicitly or explicitly show that he wants to divide Taiwan from the motherland. After coming to power, he drove away the Kuomintang "elders" such as Hau Pei-tsun, and since consolidating his power he has intensified the conflict between Taiwan natives and the people from other provinces, and he has overtly and covertly supported the "Taiwan independence" advocacy from the Democratic Progressive Party. His conversation with Japanese writer Ryotaro Shiba last year revealed his ugly face which showed that he had forgotten his own origins; then after the conversation caused fierce criticisms from the Taiwan press, he came out personally several times to say that he advocated reunification. He is capricious, and his real purpose is to cover up the essence of his promotion of separation.

Regarding Li Denghui's visit to the United States, quite a number of knowledgeable persons in Taiwan have warned him that his trip is for getting him another term of the "presidency"; that he has a fondness for the grandiose; and that he is content to be used by the United States and does not hesitate to jeopardize cross-strait relations, and consequently the gains cannot make up for the losses, and this is not good for Taiwan.

The overseas Chinese groups in the United States have also split into two rival camps. In various fashions, Chinese students and overseas Chinese in various places have strongly criticized this move by the Clinton administration, saying that it will inevitably affect Sino-U.S. relations and relations across the strait, and they have accused Li Denghui's trip of encouraging the "Taiwan independence" forces in the international community and in Taiwan. The pro-Taiwan groups of overseas Chinese and students seem very excited. This kind of division between Chinese is neither good for the two sides of the strait nor conducive to reunification.

The Chinese side is watching Li Denghui's activities in the United States closely. He will make a speech at Cornell University on the afternoon of 9 June (the morning of 10 June Hong Kong time), and he will

also meet some local officials, such as the governor of New York, some pro-Taiwan U.S. congressmen, and reporters. This will undoubtedly jeopardize Sino-U.S. relations, and this means jeopardizing the interests of both China and the United States. The shaking of Sino-U.S. relations will bring about new changes to the balance of the international situation.

This series of coordinated moves and collusions by the United States and the Taiwan authorities enables China once again to understand that, following the conclusion of the Cold War, there are still anti-China forces in the international community that view China as an enemy, and their purpose is to hinder China's economic development, because they do not want to see China becoming a world power.

In this kind of situation, Li Denghui does not hesitate to regard the enemy as kith and kin, and utilize the situation to pursue one China, one Taiwan; his intention is despicable, and he will certainly be held in contempt by the 1.2 billion compatriots on both sides of the strait.

### Northeast Asia

**Bank of China Chief Meets Japan's Prime Minister**  
*OW0806102095 Beijing XINHUA Domestic Service*  
*in Chinese 1602 GMT 30 May 95*

[By reporter Huang Fengzhen (7806 7685 3791)]

[FBIS Translated Text] Tokyo, 30 May (XINHUA) — Japanese Prime Minister Tomichi Murayama this afternoon met with visiting Wang Xuebing, chairman and president of the Bank of China, and his party at the prime minister's official residence.

During the meeting, Prime Minister Murayama said: Banking is an artery for economic development. Relations between Japanese and Chinese banking sectors have been closed up to now. President Wang Xuebing has made extensive contacts with persons from Japan's banking sector during this visit. His visit will further strengthen the friendly and cooperative relations already existing between the Japanese and Chinese banking sectors. He expressed his pleasure at this.

Murayama said that on the occasion of the 50th anniversary of the end of World War II, he visited China 2-6 May this year. He was welcomed by all sectors and candidly exchanged opinions with Chinese leaders. He also saw for himself China's economic development. More efforts to strengthen Japanese-Chinese friendly ties in the future will be beneficial to the stability of the Asia-Pacific region.

Wang Xuebing briefed Murayama on the economic and banking situation as well as the restructuring



of the banking system in China. He also expressed his thanks for the support given by the Japanese Government, banking administration authorities, and banking industry over a long period of time. He said that the Bank of China will continue to strengthen its business cooperation with Japan's banking sector in the future. It will support and coordinate with Japanese banking organizations in their efforts to expand business in China.

At the invitation of the National Banking Association of Japan and the International Trade Promotion Association of Japan, the Chinese Banking Delegation, led by President Wang Xuebing, arrived in Japan on 28 May. During the visit, Wang Xuebing and his party met with Finance Minister Masayoshi Takemura; Yoshio Sakurachi, former Lower House Speaker and chairman of the International Trade Promotion Association of Japan; Yasuo Matsushita, governor of the Bank of Japan; and others.

**Rong Yiren Interviewed on Japanese 'Atrocities'**

OW0706140495 *Beijing Central Television Program One Network in Mandarin 1100 GMT 31 May 95*

[Announcer-read report over video; from the "National News Hookup" program]

[FBIS Translated Text] [video shows Rong Yiren, seated at a desk, being interviewed by four persons in military uniform in an office, with a PRC national flag by his side] On the morning of 30 May in Beijing, Vice President Rong Yiren met and granted an interview to a crew filming "An Eyewitness Account of the Atrocities of Japanese Soldiers Invading China."

He said: Historically China and Japan had friendly contacts. The war, which was provoked by the Japanese militarists' cruel expansion, not only inflicted grave calamities on the people of the Asia-Pacific region, the Chinese in particular, but also pushed the Japanese people into an abyss of suffering, causing grievous losses. Past experience, if not forgotten, is a guide for the future. The purpose of reviewing this segment of history is to remind people of the historical lesson and to guard against a repetition of the tragedy of history so that the people of China and Japan can live in friendship from generation to generation.

"An Eyewitness Account of the Atrocities of Japanese Soldiers Invading China" is a lengthy historical TV documentary. It truthfully records the tears and blood of nearly 30 survivors of Japanese atrocities.

**State Councillor Li Tieying Visits Nagoya**

OW0806101995 *Beijing XINHUA Domestic Service in Chinese 1530 GMT 5 June 95*

[By reporter Zhang Huanli (1728 3562 0448)]

[FBIS Translated Text] Nagoya, 5 June (XINHUA) — The governments of Aichi Prefecture and Nagoya City, as well as some Japanese friendship societies, jointly sponsored a reception tonight to welcome Li Tieying, Chinese state councillor and minister in charge of the State Commission for Restructuring the Economy, and his party to Nagoya.

At the reception, Governor Reiji Suzuki of Aichi Prefecture extended his welcome. He said: Aichi Prefecture has a long and friendly relationship with China. Recently the government and civil sectors in Aichi Prefecture have made various friendly exchanges with China's Jiangsu Province and Nanjing City. The friendly relationship between Aichi Prefecture and China is getting closer each year. He expressed his wish that friendly bilateral ties would be improved through the visit of Li Tieying and his party.

In his speech, Li Tieying said: China and Aichi Prefecture and Nagoya City will certainly take firmer steps to develop their friendly relations through the 21st century.

Today, Li Tieying and his party visited Toyota Motor Company and held a discussion with Vice President Iwao Isomura of the company on the future development of the auto industry in China.

This evening, Li Tieying met with Honorary Chairman Li Mingbang and Chairman Zhang Liao Funan of the Overseas Chinese Association as well as with leaders of Overseas Chinese in Aichi Prefecture. He told them that the motherland is now enjoying a situation of stability, unity, and economic growth.

**Sub-Saharan Africa**

**CPC Leader Meets Equatorial Guinean Delegation**

OW0706120195 *Beijing XINHUA in English 1129 GMT 7 Jun 95*

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — Hu Jintao, a Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today with a delegation from the Democratic Party of Equatorial Guinea.

Hu, also a member of the Secretariat of the CPC Central Committee, said that bilateral relations have been growing smoothly since China and Equatorial Guinea established diplomatic ties 25 years ago.

The establishment of ties between the CPC and the Democratic Party, Equatorial Guinea's ruling party, promoted the mutual understanding between the two peoples and the friendly relations between the two countries, Hu said.

The CPC and the Chinese Government respect the choice of the people of Equatorial Guinea in developing their country based on the country's real conditions, and China appreciates the "one China" position held by the government of Equatorial Guinea.

Hu noted that all countries, big or small, strong or weak, are equal. He added that China attaches importance to the friendly relations with Equatorial Guinea and all African countries.

Fernando Mabale, secretary of political and administrative affairs of the Democratic Party and head of the delegation, spoke highly of China's policy of reform and opening to the outside world, as well as the achievements the Chinese people have made.

He said that his country is seeking a way of development which fits its real conditions so as to develop the economy and improve the living standards of the people. He added that Equatorial Guinea hopes to further consolidate the friendly relations and cooperation with China.

Mabale noted that his country will stick to the "one China" policy and regards Taiwan as an inalienable part of the People's Republic of China.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, was present at the meeting.

The Equatorial Guinea visitors arrived here June 3 as guests of the CPC. During their stay here, Li Shuzheng had a meeting with the delegation.

#### **Spokesman: Tanzanian Foreign Minister To Visit**

*OW0606095595 Beijing XINHUA in English  
0826 GMT 6 Jun 95*

[FBIS Transcribed Text] Beijing, June 6 (XINHUA) — At the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen, Minister of Foreign Affairs and International Co-operation of the United Republic of Tanzania Joseph Rwigasira will pay an official visit to China from June 8 to 13.

Chinese Foreign Ministry Spokesman Shen Guofang made the announcement here at a press conference this afternoon.

### **East Europe**

#### **NPC Vice Chairman Meets Czech Visitors**

*OW0706094895 Beijing XINHUA in English  
0918 GMT 7 Jun 95*

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — Chen Muhua, vice-chairman of China's National People's Congress Standing Committee, met here this afternoon with a delegation headed by the President of the Czech Supreme Audit Office Lubomir Volenik, and they exchanged opinions on issues of common concern.

Chinese Minister of Supervision Cao Qingze and Vice-Minister of Supervision Feng Tiyun were present at the meeting.

The five-member delegation arrived here on June 5 at the invitation of the Ministry of Supervision.

Cao held working talks with the delegation here Tuesday.

#### **Qian Qichen Meets Visiting Slovak Guests**

*OW0606131895 Beijing XINHUA in English  
1227 GMT 6 Jun 95*

[FBIS Transcribed Text] Beijing, June 6 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen met here today with Josef Sestak, state secretary of the Slovak Foreign Ministry.

During the meeting Qian and Sestak exchanged views on bilateral ties and international issues of common concern.

Qian expressed his appreciation for Slovakia's commitment to the development of friendly relations with all countries in the world, especially its neighboring states.

There is nothing blocking the development of Sino-Slovak relations, and the potential for furthering the two-way trade and economic co-operation is great, he said, adding that the two governments should encourage direct contacts between the companies and enterprises of the two countries by creating good conditions for this.

Sestak said that his country attaches great importance to both domestic economic development and efforts to ensure the stability and development of the region.

He added that the prospects for economic co-operation between the two countries are encouraging.

Sestak is here as the guest of Dai Bingguo, Chinese deputy foreign minister.



**Yugoslav Deputy Foreign Minister Ends Visit**

OW0706125995 *Beijing XINHUA in English*  
1144 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — Deputy Foreign Minister Radoslav Bulajic of Yugoslavia left here today after concluding his China tour.

During Bulajic's stay in China, Chinese Vice-Premier and Foreign Minister Qian Qichen met with him.

Chinese Vice-Foreign Minister Li Zhaoxing held talks with Bulajic on international issues, especially on the crisis in the former Yugoslavia.

Chinese Vice-Foreign Minister Dai Bingguo and Vice-Minister Shi Guangsheng of the Ministry of Foreign Trade and Economic Cooperation also met with Bulajic.

Bulajic was here for a visit at the invitation of the Chinese Foreign Ministry.

**Latin America & Caribbean**

**Chairman Li Ruihuan To Visit Latin America**

OW0806095095 *Beijing XINHUA in English*  
0911 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), said his forthcoming visit to Cuba, Jamaica, Brazil and Chile is aimed at enhancing understanding, developing friendship and expanding cooperation and exchanges with the four countries.

Li made the remarks in interviews with Beijing-based reporters Frank Guiral Marti of the PRENSA LATINA of Cuba, and Jaime Spitzcovsky of the Brazilian newspaper FOLHA DE S. PAULO, at the Great Hall of the People here Wednesday [7 June].

Invited by the National Assembly of People's Power of Cuba, the Government of Jamaica, the National Congress of Brazil and the Government of Chile, Li is scheduled to leave here tomorrow on the four-nation tour, the first to the region by a CPPCC chairman.

"Latin America is one of the most vital regions in the world, and shares common ground or similarities with China in many respects," Li said.

"In recent years, the relations between China and Latin America have witnessed fast growth, and there have been frequent exchanges of high-level visits," Li noted.

During the coming visit, Li said he will exchange with the four countries' leaders views of common concern, which is surely to promote the existing friendly relations between China and these countries.

On Sino-Brazilian relations, Li said both Brazil and China, the biggest in their respective regions, are committed to developing their national economies and improving the living standards of their peoples, Li said.

It is in the interests of both Chinese and Brazilian peoples and of great significance to their countries' development for them to cooperate with and support each other, Li noted.

"China and Brazil supplement each other economically, and enjoy bright prospects of cooperation," the CPPCC leader said, adding that China values the mutually beneficial relations of cooperation with Brazil.

Although the present trade volume between China and Brazil is "not very big", bilateral trade has been expanding fast with still greater potentials. "We should make joint efforts, and bring these potentials into full play," Li stressed.

During the interviews, Li also briefed the reporters on CPPCC's status and role in China's political life.

The CPPCC leader expressed appreciation for their efforts in augmenting the understanding and friendship between the Chinese people and the people of Cuba and Brazil.

He also asked them to convey his greetings to the people of the two countries.

**CPC Member Huang Ju Arrives in Brazil**

OW0806092995 *Beijing XINHUA Domestic Service in Chinese* 1618 GMT 6 June 95

[By reporter Zhao Xiaozhong (6392 2556 6988)]

[FBIS Translated Text] Brasilia, 6 June (XINHUA) — A Chinese Communist Party delegation led by Huang Ju, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, arrived in Brasilia on 6 June and began a 10-day friendly visit to Brazil.

The delegation came to visit the country at the invitation of Brazil's Liberal Front Party. Acting Chairman Norche Norren of the party and Chinese Ambassador to Brazil Yuan Tao met the delegation at the airport.

Brazil is the first leg of the delegation's trip to Latin America. It will also visit Argentina and Uruguay.

**Delegation Meets Vice President**

OW0806040795 *Beijing XINHUA in English*  
0328 GMT 8 Jun 95

[FBIS Transcribed Text] Brasilia, June 7 (XINHUA) — Brazilian Vice President Marco Maciel today met

Huang Ju, head of the delegation of the Chinese Communist Party (CPC).

Huang Ju, a CPC Politburo member and party secretary of Shanghai, arrived in Brasilia on Tuesday [6 June] for a friendly visit to this South American country.

During the meeting, Marco Maciel noted that Brazil and China are similar in that both are extremely large in size and rich in natural resources. Both also hold similar views on the most important matters on the current international agenda, especially with respect to equality and mutual benefit among all nations.

He emphasized that the visit of the CPC delegation would contribute to promoting bilateral relations between Brazil and China and the development of mutual cooperation, not only in political affairs but also in the fields of economy and technology.

Huang Ju said the objective of his visit was to stimulate the progress of the excellent relations between the peoples of both countries and strengthen high-level exchange between China and Brazil.

Huang said China and Brazil are two countries with great economic potential and that both face the same problems in their economic and social development and therefore should give due importance to broadening their bilateral relations.

During its stay in Brazil, the CPC delegation will also visit Rio de Janeiro, Sao Paulo and Foz do Iguazu.

After concluding its visit to Brazil, the delegation will travel to Uruguay, the second and last leg of its South America tour, with a brief stopover in Argentina.

#### **Hou Zongbin Meets Cuban Communist Leaders**

*OW0806092795 Beijing XINHUA Domestic Service in Chinese 1245 GMT 5 Jun 95*

[By reporter Li Qiang (2621 1730)]

[FBIS Translated Text] Havana, 5 Jun (XINHUA) — Juan Almeida Bosque, member of the Cuban Communist Party Central Committee Political Bureau and vice president of the State Council, met here with all members of the visiting Chinese discipline inspection delegation and held cordial and friendly talks with them.

Also at the meeting were Cuban Communist Party leaders, including Jose Machado Ventura, member of the

Cuban Communist Party Central Committee Political Bureau.

Chinese Ambassador to Cuba Xu Yicong was present as well.

At the invitation of the Cuban Communist Party Central Committee, the eight-member Chinese discipline inspection delegation, led by Hou Zongbin, deputy secretary of the Central Commission for Discipline Inspection, arrived in Cuba on 31 May. During the trip to Cuba, the delegation exchanged opinions with Cuban personnel of relevant departments on issues such as party building, education, management, and discipline inspection work in the period of reform and opening. The delegation also visited industrial and agricultural enterprises, tourism facilities, and oil production bases in Cuba.

The delegation was scheduled to leave Cuba for home on the afternoon of 5 May.

#### **Beijing, Jamaica Sign Visa Exemption Agreement**

*OW0806103695 Beijing XINHUA Domestic Service in Chinese 1359 GMT 6 Jun 95*

[FBIS Translated Text] Beijing, 6 Jun (XINHUA) — Kingston report: Wang Jianli, ambassador extraordinary and plenipotentiary of the People's Republic of China to Jamaica, and Jamaican Deputy Prime Minister and Foreign Minister Mullings signed an "agreement of the government of the People's Republic of China and the government of Jamaica on mutual exemption of official travel visas" on behalf of their governments on 12 May in Kingston. The agreement will become effective on 6 June this year.

When the agreement takes effect, Chinese and Jamaican citizens holding valid diplomatic or official passports issued by their respective countries and those who use the same passports and travel with them (the passport holder's spouse and minor children only) are not required to get visas when entering, leaving or transiting the other signatory country. If they stay in the other signatory country more than 30 days, they should go through residence application formalities according to the relevant regulations of the host country.

### Political & Social

**Source Says Deng's Parkinson's Disease 'Advanced'**  
HK0806040095 Hong Kong EASTERN EXPRESS  
in English 8 Jun 95 p 1

[By Zhang Hongjun]

[FBIS Transcribed Text] China's paramount leader, Deng Xiaoping, suffers from advanced Parkinson's disease, and was critically ill on April 27, according to a source close to the Chinese military.

It is believed that doctors from the 301 Hospital in Beijing — a hospital for the exclusive treatment of Chinese leaders and military officials — have discovered a treatment for the late stages of Parkinson's disease, but are reluctant to try it out on the patriarch.

According to the source specialists from other hospitals, including the Tiantan Hospital in Beijing and the Ruijin Hospital in Shanghai, have formed a research group with doctors from the 301 Hospital. They have not decided whether to give Deng the new medicine, refined from rare herbs, because of fears of possible side-effects.

"The medicine stands a good chance of curing Parkinson's disease. Had Deng been an ordinary patient, doctors would have dared to try it on him, but he is an emperor who must not be treated like a guinea pig," the source said. "But if he misses the opportunity to try the medicine because of his status and becomes a victim of the disease at the end of the day, nobody should take any blame either," he said.

Deng is believed to be losing consciousness regularly. A medical team, consisting of more than 20 specialists divided into three shifts, maintains a round-the-clock vigil at the Deng residence.

Meanwhile, a large room in the 301 Hospital has been prepared for emergency treatment for Deng at any time. The room is equipped with the most advanced medical technology. Nearby is an office for Deng's secretary and another room where relatives can stay overnight.

Deng's doctors are understood to be confident that he has at least a few more months to live. Deng Nan, the patriarch's daughter, said on Monday in Beijing that she believed Deng would live beyond June 1997 and visit Hong Kong. Deng Nan admitted, however, that her father had been sent to hospital "a few times" every year for a "medical check".

Deng Nan's optimistic remarks are understood to have resulted from a warning by the Communist Party boss, Jiang Zemin, to Deng's children against any revelation of the state of Deng's health to avoid "public fears".

### Deng Xiaoping's Niece 'Being Investigated'

BK0806083295 Sydney THE AUSTRALIAN  
FINANCIAL REVIEW in English 12 May 95 p 28

[Report by AFR Correspondent Eric Ellis in Hong Kong]

[FBIS Transcribed Text] The transitional noose around the collective neck of China's first family, the relatives of ailing paramount leader Mr Deng Xiaoping, has got tighter with news that his niece is being investigated for embezzlement.

Ms Ding Peng, daughter of Mr Deng's businessman brother Mr Deng Kan, is under investigation from Chinese police authorities in Shenzhen for illegally channelling around 100 million yuan (\$16.5 million) from a company she is associated with.

Two Hong Kong directors of the company have brought the action against Ms Ding, who changed her name from the family's Deng about 12 years ago.

Ms Ding has been one of the most sought-after business contacts for investors in Shenzhen, particularly after her uncle's high-profile approval visit to Shenzhen in early 1992 that led to rocketing growth and an acceleration in Mr Deng's economic reform drive.

Ms Ding has vigorously exploited her connection to the family, although diplomats in Beijing says she is the least popular of the clan and forbidden by Deng Xiaoping from visiting the capital.

It was Ms Ding who Australian-Chinese businessman Mr James Peng got on the wrong side of in 1993, which led to his high-profile kidnap arrest and detention without trial in Shenzhen. Ms Ding was an erstwhile business partner of Mr Peng and is believed to have been the influence behind the Chinese authorities' seemingly summary justice applied to him.

The case has caused friction in diplomatic relations between Australia and China, leading to charges from Mr Peng's family that Australia has not provided sufficient consular assistance to him for fear of damaging wider relations. Mr Peng, still languishing in a Shenzhen jail, maintains he is innocent of the corruption charges levelled at him and that Ms Ding set him up.

News of the niece's problems comes amid rumours that Mr Deng's son, Mr Deng Zhifang, is also being investigated by anti-corruption campaigners of President Jiang Zemin in Beijing, which led to reports that his mother, Zhou Lin, Mr Deng Xiaoping's wife, had tried to take her life because of the shame brought on the family.



Mr Deng's other children are very unpopular for alleged profiteering and enrichment in business on the strengths of their family connections.

Conventional wisdom is that they are not expected to retain any authority for long after his death.

#### **NPC Chairman Qiao Shi Tours Zhejiang 2-6 Jun**

OW0706145995 Beijing XINHUA in English  
1430 GMT 7 Jun 95

[FBIS Transcribed Text] Hangzhou, June 7 (XINHUA) — Local officials in Zhejiang, in east China, were urged earlier this month to push their economic development to a new level by improving agricultural and industrial production, while continuing reforms.

The remarks came from Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and Chairman of the Standing Committee of the National People's Congress (NPC).

During an inspection tour of the economically booming province from the 2nd to the 6th of this month, Qiao, accompanied by Li Zemin, provincial party secretary and chairman of the Provincial People's Congress, and by other provincial officials, visited industries, a key state-level research lab, a hydropower station, and the provincial museum, in addition to listening to reports by the province's legislative and government organizations.

Zhejiang, whose grain production has fallen short of demand, saw a steady increase in agricultural production last year. This year's production looks promising as summer crops, such as rice, are doing well, reflecting the government's determination to have a better harvest.

While expressing his satisfaction with the province's agricultural work, Qiao asked local officials to maintain the steady agricultural development. "We should never slacken our efforts in grain production, no matter whether the harvest is good or poor," he said.

The NPC chairman spoke highly of the province's township industrial development, but urged them to reach a larger scale of development and improve efficiency.

During his five-day tour, Qiao also touched on topics such as enterprise reforms, environmental protection, science and technology, and education.

#### **Qian Qichen Honorary Chairman of Institute**

OW0706131695 Beijing XINHUA Domestic Service  
in Chinese 1140 GMT 30 May 95

[By reporter Li Xiaojian (2621 2556 1696)]

[FBIS Translated Text] Beijing, 30 May (XINHUA) — The Institute of Foreign Affairs Board of Trustees was established in Beijing today. The board was established for promoting the development of education in foreign affairs, as well as to meet the need for restructuring the nation's educational system. Qian Qichen, member of the CPC Central Committee Political Bureau, vice premier, and foreign affairs minister, attended and addressed the establishment ceremony.

Qian Qichen serves as the honorary chairman of the institute's board of trustees. Lei Jieqiong, vice chairman of the National People's Congress Standing Committee; Wu Xueqian, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; and Wang Daohan, president of the Association for Relations Across the Taiwan Strait, are the institute's honorary advisers. Foreign Affairs Vice Minister Tian Zengpei serves as the board chairman. The 130 or so trustees of the board come from the Foreign Affairs Ministry and its affiliated units, Chinese diplomatic missions abroad, relevant central and local government authorities, and businesses and institutes which support foreign affairs education.

Established in 1955 and the only college affiliated with the Foreign Affairs Ministry, the institute trains foreign affairs personnel and international issues researchers. Over the past four decades the institute, as the base for training Chinese foreign affairs personnel, has contributed to the development of China's diplomatic affairs through training large numbers of personnel for foreign affairs and international research departments.

#### **Justice Minister Calls For Modern Prisons**

HK0806014495 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 14 Apr 95 p 4

[Article by reporter Liu Xiaolin (0491 2556 2651): "China Reform-Through-Labor Society Holds Council Meeting—Xiao Yang Calls For the Establishment of Modern, Civilized Prisons"]

[FBIS Translated Text] Beijing, 13 Apr (RENMIN RIBAO)—The Second Council Meeting of the China Reform-Through-Labor Society was held in Beijing today. Minister of Justice Xiao Yang spoke at the meeting and extended his congratulations.

Since its establishment, the society, a non-governmental academic organization, has been dedicated to the cre-

ation and development of the science of reform-through-labor — a new discipline of social science with Chinese characteristics. Based on China's experience accumulated over a long time in reforming criminals, the society has gradually created a theoretical discipline with Chinese characteristics and has played a significant role in constantly improving China's prison system.

In his speech, Xiao Yang noted that the "Prison Law" of the PRC promulgated last year is the first prison decree in New China, that it has filled a void in the country's criminal legislation, that it has improved China's criminal legal system, and that it serves as a summary of the achievements made in prison work since New China was founded in 1949. He also pointed out that after the promulgation of the Prison Law, it is necessary to formulate a series of supporting laws and regulations to make it easier to implement the law. He said, "In the course of establishing modern, civilized prisons, we must see to it that the prison system has Chinese characteristics and conforms to international practice. Therefore, we need to constantly make investigation, study, and summation."

Wang Xiwen, vice president of the China Reform-Through-Labor Society, delivered a work report at the meeting. He said that under the condition of a socialist market economy, prison work is facing many new circumstances and questions. Therefore, this year's main subject for theoretical study is "the socialist market economy and prison work," he said. He asked participants at the meeting to accelerate the construction of modern, civilized prisons, promote endeavors to improve the people's police contingent, administer prisons according to law, pursue scientific prison management, and vigorously explore ways of ensuring security in prisons in order to contribute to the reform of the prison system and raise theoretical study to a new height.

#### **Beijing To Increase Watch on Migrant Population**

OW0706151895 Beijing XINHUA in English  
1506 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — China will increase its efforts to manage its growing migrant population this year as a major step to maintain better control over public security, a senior Chinese official said today.

"The floating population, mostly rural surplus laborers coming to the cities, is a main factor in the country's economic development and social stability," said Ren Jianxin, director of the Central Commission for Comprehensive Management of Public Security.

The central authorities are considering holding a national conference on new efforts at managing the migrant laborers, Ren, who is also the secretary of Political and Law Committee of the CPC Central Committee and president of the Supreme People's Court, revealed.

The rural population is being freed from the farmland as the country's economy changes rapidly to a market-oriented one, and the migration of surplus rural laborers is necessary in a reasonable allocation of human resources, which is conducive to the economic development of the country, Ren said.

But, random migration has had negative effects, he commented, explaining that statistics show that a considerable number of crimes in some cities are committed by rural laborers.

More should be done to intensify residence and public order controls for the population who work in places other than their long-term residences, he said.

In addition, such work should be linked to government efforts in educating and providing services for these people, which should be included in rules, regulations, or laws that relate to this population, Ren said.

More studies and research should be done on the conditions of the migrant workers, so that their rights can be protected, while the criminal activities by the few can be dealt with effectively, he emphasized.

China still faces severe problems in public security, Ren noted, pointing to the fact that the number of criminal cases, especially major ones, keeps rising, and the resultant chaos in society in some areas has not basically changed.

Towns should launch various special campaigns against vice and other malfeasance in response to the urging of the central authorities, Ren said.

#### **National Anti-Unhealthy Tendencies Meeting Ends**

HK0706124895 Wuhan Hubei People's Radio  
Network in Mandarin 1000 GMT 26 May 95

[FBIS Translated Excerpt] A national meeting on the special work of checking unhealthy tendencies concluded in Wuchang today. The meeting stressed that by following the Central Party Committee's and the State Council's plan on the work of checking unhealthy tendencies this year, various localities and departments must conscientiously strengthen their leadership, makes efforts to further implement and deepen the work and bring about results, and render a good account to the masses.

It is understood that on the one hand, the special work of checking unhealthy tendencies this year must



consolidate the results achieved last year in such work as stopping arbitrary charges, overseas travel at public expense, and party and government organs' gratuitous occupation of enterprise property; vigorously check unhealthy tendencies found in departments and trades; and guard against any reversion or relapse. On the other hand, as demanded by the central authorities, we should focus our attention this year on resolutely stopping three unhealthy tendencies, including three arbitrary practices on highways, arbitrary charges imposed by primary and secondary schools, and arbitrary charges and apportions levied on peasants. Moreover, special efforts will be made to deal with mini-treasures.

The meeting was presided over by Xu Qing, deputy secretary of the Central Party Commission for Discipline Inspection and director of the State Council Office for Checking Unhealthy Tendencies. He pointed out in his speech delivered at the meeting: This year, there are numerous projects, high demands, and heavy tasks on checking unhealthy tendencies, various localities should intensify regular supervision and checks as well as open and secret investigation, attach importance to studying how to resolve actual problems encountered while implementing the work, pay attention to making the work more transparent, and mobilize the masses to take part in and supervise the work. In particular, we must dare to confront tough cases and deal with typical cases of discipline violation. For units and individuals bringing about evil consequences among the masses, we should, by following relevant laws and regulations, deal with them rigorously and expose them to the public, thus bringing into full play their educational role.

Regarding the point of having stronger leadership over the work of checking unhealthy tendencies, Xu Qing stressed: Key party and government leaders must help others solve some difficult problems encountered in the work of checking unhealthy tendencies and play a personal part in organizing and coordinating the work.

Deputy State Council Secretary General Zhang Zuojin attended the meeting and made a speech on strengthening all-level government leadership over the work of checking unhealthy tendencies. [passage omitted]

Directors of offices for checking unhealthy tendencies from 30 provinces, municipalities, and autonomous regions and concerned leading cadres of 11 state departments specially discussed problems to be solved while implementing the work.

During the meeting, Jiang Zhuping, deputy secretary of the Hubei provincial party committee and governor; Yang Yongliang, deputy provincial party secretary; and Ding Fengying, member of the provincial party committee standing committee and secretary of the

provincial commission for discipline inspection; and Li Daqiang, member of the provincial party committee standing committee and vice governor; went to the meeting venue separately to call on delegates to the meeting.

#### **Education Commission To Tighten Exam Regulations**

*HK0806013295 Beijing XINHUA Domestic Service in Chinese 1124 GMT 19 Apr 95*

[By reporter Feng Yingbing (7458 3841 0393): "State Education Commission Convenes Teleconference To Stress the Tightening of Examination Discipline"]

[FBIS Translated Text] Beijing, 19 Apr (XINHUA)—The work of unified examinations for national education for this year is to begin soon. To tighten examination discipline, the State Education Commission [SEC] convened a teleconference today to urge competent education departments of all provinces and organs undertaking the organization of examinations to attach great importance to organization and management work, to resolutely eliminate discipline violations and irregularities, and maintain the reputation of state examinations.

The unified examinations for national education cover a wide range of areas with vast numbers of candidates: In the self-study nationwide examinations that will take place on 22 and 23 April, there are approximately five million candidates each year; in entrance examinations for adult institutions of higher learning on 13 and 14 May, there are about 1.7 million candidates annually; in entrance examinations for ordinary institutions of higher learning on 7, 8, and 9 July, there are approximately 2.5 million candidates a year.

At today's teleconference, Wang Mingda, vice minister of the SEC, said that examination for state education is a very serious and big event, adding that over the years, governments, the people's congresses, and the Chinese People's Political Consultative Conference at all levels have attached importance to and showed concern for it, with relevant departments such as public security, armed police, communications, and posts and telecommunications giving it positive support, which ensures the smooth progress of all unified examinations.

Wang Mingda pointed out: Due to the interference of unhealthy tendencies in society, there were some serious cases of examination discipline violation in some localities in 1994. Although the number of violators is small, its influence is pernicious. He noted: The phenomenon of discipline violation finds chief expression in the following aspects: First, persons in charge of individual examination centers in some localities publicly prompt

others to create a "relaxed" examination environment for candidates, resulting in loose examination discipline in these places, confusion in examination halls, and even persons in charge of examination centers, invigilators, and candidates colluding with each other to cheat, which violates the law and discipline. Second, some localities fail to strictly examine the qualifications of candidates applying to sit in the examinations and fail to exercise strict supervision. As a result, some students studying at schools take entrance examinations for adult institutions of higher learning. Moreover, the phenomenon of people taking examinations for others also exists. According to incomplete statistics, 15 provinces discovered last year that there were 4,366 people taking entrance examinations for others; the largest number of people placed on the file for other kinds of discipline violation in a province is 3,000. Third, the chief examiners and invigilators fail to sternly perform their duties, and the number of cases of candidates collectively cheating was markedly larger than that in previous years. These have contributed to an increase in the proportion of identical exam papers in some examination halls. Fourth, in some localities, invigilators do not avoid being in examination centers where their relatives take the examinations.

Wang Mingda stressed: Taken nationally, the situation of examination discipline violation is a problem in individual areas. However, it is serious in nature and noxious in influence. If we do not earnestly deal with this problem, it will tend to spread. He expressed hope that educational administrative departments at all levels and organs undertaking the organization of examinations will actively implement the existing policies, laws, and regulations, adopt effective measures, and take the straightening out of examination discipline as a major event in combating evil winds and noxious influence. He added: The "Education Law" stipulates clearly the penalties to be imposed on persons responsible for cheating on state education examinations. We must resolutely implement the "Education Law" and impose severe penalties on those who bend the law for the benefit of relatives and friends; those who commit serious offenses should be sternly dealt with in order to maintain the inviolability of state education examination and safeguard the rights and interests of the broad mass of candidates.

To ensure that all tasks of unified examinations for this year can be conducted smoothly, Wang Mingda demanded: First, supervisory departments of education and organs conducting examinations should conscientiously examine and sum up the examination tasks of previous years, consolidate and promote the attained results and experience, and improve weak links. Second, the establishment of examination centers should be examined

strictly according to the requirements of the "Regulations on Examination Work" already promulgated. The chief examiners of all examination centers must be leaders of prefectural or county governments in charge of education or relevant responsible persons of the SEC, while the deputy chief examiner should be responsible persons of the schools which serve as the examination centers, and their responsibilities should be clearly defined. The security measures and guarantees for examination centers, and the regulations governing restrictions on the number of people in each examination hall, and the need for candidates to sit separately, at a single desk and in a single row must be checked in a serious manner. Failure to meet the requirements should be resolutely readjusted. Third, all provinces, autonomous regions, and municipalities should uphold examination inspection systems implemented by a joint group formed by the government, the people's congresses, and the SEC. It is also the responsibility of institutions of higher learning to carry out inspection work in national unified examinations. The institutions of higher learning concerned should actively participate in the inspection work organized by the provincial-level examination organ. Fourth, we should conscientiously do a good job in selecting, recruiting, and training invigilators, earnestly organize them to study documents concerning the law and regulations of examination work so that they can skillfully grasp professional techniques. They can start their jobs only after passing the training. Fifth, a challenge system of examination work personnel should be vigorously implemented. A person who fails to state the persons to be avoided should be penalized by the local educational administrative departments; if he has made such a statement but a responsible leader still arranges examination work for him in violation of provisions, educational administrative department at a higher level should impose penalties on the leader. Sixth, arrangements for examination halls and centers should be randomly made by computer in accordance with provisions. We must strictly check candidates entering examination halls to verify their identities, examination permits, counterfoils, and photos, and strictly prevent people taking examinations for others from entering the examination halls. The credentials of candidates sitting for adult examinations should also be checked strictly. No candidate is permitted to bring tools or communications equipment not related to the examinations to examination halls. Seventh, examination organs at all levels should continue to strengthen cooperation with supervisory departments. Before examinations take place, a phone line set by the educational administrative departments at the provincial, prefectural, and county levels for complaints about examination discipline should be announced to the society, and importance should also be

attached to letters of complaint and complaints lodged in person.

At the teleconference, persons in charge of the SEC in Henan, Jilin, and Hunan Provinces also delivered speeches, discussing their experience and plans.

**Commentor on Study Activities for Party Members**  
*HK0806023495 Beijing RENMIN RIBAO in Chinese*  
2 June 95 p 3

[Commentator's article: "Launching Study Activities Among Party Members in Light of Reality"]

[FBIS Translated Text] The "Decision of the CPC Central Committee Concerning Some Major Issues on Strengthening Party Building" adopted by the Fourth Plenary Session of the 14th CPC Central Committee suggests using three years to launch, in a planned and step-by-step manner, activities to study the theory of building socialism with Chinese characteristics and the party constitution among party members. Currently, the study activities for party members are being conducted throughout the party.

To ensure that the study activities are carried out healthily and in depth, first of all it is necessary to get a clear understanding of the significance of the study activities. Launching the activities to study the theory of building socialism with Chinese characteristics and the party constitution among party members is a major move to strengthen party building and carry out a "new, great project." It is also an ideological guarantee for unifying the thinking of the whole party and upholding the party's basic line for 100 years without wavering. Moreover, it is of great significance for improving the quality of party members and cadres, strengthening the tempering of party spirit among party members, and enhancing the combat strength of the party. At present, leaders at all levels seem to have a relatively ample understanding of the importance of the study activities and have taken quick action in this area. Some localities where the study activities have been launched early and solidly have achieved certain successes. However, we should soberly see that some localities do not attach enough importance to or firmly conduct study activities. They are slow in this respect. Party committees at all levels should pay attention to this.

Study activities should be launched in light of the current situation and tasks, as well as actual conditions of party members. In recent years, a study atmosphere has initially been created among leading party cadres. However, viewed from the entire party, they do not study hard enough and they are still far from meeting the requirement of arming the entire party with the theory of building socialism with Chinese characteristics.

Some party members fall short of studying the party constitution while others even do not understand the basic knowledge and basic regulations of the party. Party members still have problems that need to be tackled: For instance, some party members do not suit the requirements of the new situation and new tasks in terms of ideas and concepts, nor does their understanding keep pace with the rapidly developing and changing reality. Some party members waver in their ideals and beliefs, and their outlooks on life and value concepts are distorted with inflated money worship, hedonism, and ultra-individualism. A considerable number of party members do not have the knowledge and abilities needed for their posts. Hence, the study activities should be launched in light of these actual conditions. Through these study activities we should enable the vast number of party members to foster communist ideals, strengthen the belief in keeping to the road of building socialism with Chinese characteristics, heighten the consciousness of upholding the party's basic theory and basic line, implement all party policies in an exemplary manner, persist in serving the people wholeheartedly, link closely with the masses, be honest and selfless in performing official duties, observe discipline and abide by the law, consciously resist the corrupting influence of money worship, individualism, and decadent lifestyle, conscientiously perform duties and correctly exercise rights in accordance with the stipulations in the party constitution, and make contributions and attain achievements in the reform, opening up, and modernization drive.

The study activities are not studies on general knowledge but require party members to make comparisons and examinations in the spirit of rectification. It is necessary to actively conduct criticism and self-criticism and regulate the words and deeds of party members according to the party constitution with a view to making studies have definite objectives and effectively solve outstanding problems. Whether attention is paid to solving prominent problems is an important indication of checking whether the study activities for party members are conducted perfunctorily. It is hoped that party organizations at all levels will seriously take the study activities as a major event and will conscientiously do a good job and achieve success in them.

**Beijing Municipal Cadres To Study Deng Works**  
*OW0706130695 Beijing XINHUA Domestic Service*  
in Chinese 1255 GMT 30 May 95

[FBIS Translated Text] Beijing, 30 May (XINHUA) — After the CPC Central Committee issued a circular on distributing the "Program for the Study of Comrade Deng Xiaoping's Theory of Building Socialism With



Chinese Characteristics," the Beijing municipal party committee, acting in accordance with the guidelines of the circular, made specific arrangements for leading cadres at or above the departmental level as well as for the vast numbers of party members to use the "Program" as an important auxiliary material in deepening the study of the *Selected Works of Deng Xiaoping* and the theory of building socialism with Chinese characteristics.

The municipal party committee asked party committees at all levels to seriously implement the guidelines of the Central Committee circular and make full use of the "Program" — an important auxiliary material — to organize in various forms the vast number of cadres and party members to study the *Selected Works of Deng Xiaoping* and the theory of building socialism with Chinese characteristics. According to the municipal party committee's arrangements, the core theoretical study group in each party committee at various levels will set aside a certain time to carry out the study earnestly and in close touch with the ideology and work reality. Party and cadre schools at all levels will include the study of the "Program" in their teaching plans and carry out concentrated training in all types of classes. The municipal party committee Propaganda Department, together with various work committees under the party committee, will carry out the training of propaganda department directors of all city, district, county, and bureau party committees. The municipal party committee Propaganda Department and its lecturers group will organize a series of report meetings to train core elements for the study by the municipality's cadres in general. Party committees at all levels will use the "Program" to train party members in the theory of building socialism with Chinese characteristics and the party constitution.

According to the developed study plan, the municipal party committee's core theoretical study group plans to use two months' time to carry out the study in accordance with the requirements stipulated in the party Central Committee circular. The main emphasis is placed on studying theories related to the ideological line of building socialism, the essence of socialism and the road to developing socialism, socialist economic structural reform, building socialist spiritual civilization, and the core of leadership of the socialist cause.

#### Commentary on Studying Deng's Theory

OW0606003595 Beijing XINHUA Domestic Service  
in Chinese 0657 GMT 4 Jun 95

[By unidentified XINHUA special commentator: "Party Members' Study Activities Should Be Truly Carried Out"]

[FBIS Translated Text] Beijing, 4 Jun (XINHUA) — The "CPC Central Committee Decision on Some Major Issues Concerning Strengthening Party Building," adopted by the Fourth Plenary Session of the 14th CPC Central Committee, demanded that all party members conduct planned and systematic activities to study the theory of building socialism with Chinese characteristics and the party Constitution for three years. Concerned central departments laid down a specific plan for party members' study; and, party committees of most localities across the country, following the central authorities' guidelines and in light of their local situations, have made arrangements and plans for the study. The study activities have been promoted among party members across the country, and initial results have been achieved in localities that have moved fast and closely followed the activities. However, taking the whole country into consideration, wide gaps exist in the development of study activities. Some localities have not placed adequate importance on the work, have been slow to take action, and their measures have not been down-to-earth; other localities have not paid attention to solving prominent problems among party members. Party committees at all levels must regard the study activities as an important part of their agendas, and ensure that the work is truly and properly carried out and that set objectives are achieved.

We should have a correct understanding of the significance and purpose of party members studying the theory of building socialism with Chinese characteristics and the party Constitution. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is contemporary Chinese Marxism, an ideological weapon and the guiding principle of action for us to pioneer wholly new undertakings in the new historical period. The party Constitution adopted by the 14th CPC National Congress is the guiding principle for party building in the new period, a document for regularizing party member behavior. We must soberly realize that whether or not we can arm the whole party with the theory of building socialism with Chinese characteristics and whether or not we can unify all party members' will and actions on the party Constitution is the key to whether or not we can properly build up our big party, which has 54 million members and is the ruling party; and lead people of all nationalities across the country to



win victory in reform, opening up, and modernization. Party members studying the theory and Constitution for three years is an important measure to strengthen the party's ideological and organizational building, to improve party style, and to accomplish the new great undertakings; it is the ideological assurance for unifying all party members' thinking and for unwaveringly adhering to the party's basic line for 100 years; it is an important strategic measure to raise all party members' theoretical levels, to enhance their ideological and political consciousness, and to meet challenges of the new century. Party committees at all levels should consistently carry through the Fourth Plenary Session "Decision" guidelines; clearly understand that the current study activities must be aimed at enhancing party members' party spirit and ideological and political consciousness; further strengthen party organizations' rallying force and combat capabilities; organizationally ensure the truthful implementation of the central authorities' guiding principle of "seizing the opportunity, deepening reform, broadening the scope of opening up, accelerating development, and maintaining stability"; and theoretically and ideologically ensure that our reform, opening up, and modernization continue to develop along the socialist path with Chinese characteristics.

The first problem we have to deal with in studying the theory and Constitution is how to gain a good understanding of the basic viewpoints of the theory and the party Constitution's basic demands on party members. To study the theory, we should begin with gaining a good understanding of the scientific system and the theory's true spirit and learn how to use the theory's stand, viewpoint, and method to answer and solve practical problems. In studying the party Constitution, we should enable party members and leading cadres with party membership to have a clear understanding of the Constitution's basic demands on them and of the party's rules and regulations, so they can better play a vanguard and exemplary role in the new situation. The current study activities are different from ordinary study of general knowledge; they should be closely integrated with reality; and efforts should be made to solve outstanding problems among party members. It should be noted that the majority of party members are good; however, some problems that urgently need to be solved do exist: Some party members' way of thinking lags behind the developing and changing situation — they have inadequate understanding of and are not ideologically prepared for the new situation and task of building a socialist market economic system. Some party members have a poor understanding of our purposes; they do not have a firm conviction of our ideals; their outlook on life and values have been distorted; money worship, pleasure seeking, and individualism have prevailed among them; such cor-

rupt practices as abusing power to seek personal gain and taking graft have spread among them; and quite a high percentage of party members lack the ability to play a vanguard and exemplary role in their posts. These problems have affected or are affecting the party's combat capabilities. Through the study activities, we should seriously and properly address issues concerning establishing a correct world outlook and outlook on life, concerning the purpose of wholeheartedly serving the people, and concerning enabling party members to play a vanguard and exemplary role in the new situation. We should truly solve existing prominent problems by following the central authorities' guidelines, through serious study and deepening our understanding, in the spirit of party-style rectification, using the party Constitution as a mirror, in the light of actual situations, and by conducting comparison and examinations. Party organizations at all levels should integrate current study activities with the study of Comrade Kong Fansen's advanced thinking and exemplary deeds. The broad masses of party members, especially leading cadres with party membership, should emulate Comrade Kong Fansen, foster communist ideals, firm up their conviction of following the socialist path with Chinese characteristics, and enhance their consciousness and resolve in carrying through the party's basic line.

Party committees at all levels should strengthen their leadership, regard the study activities as an important task, and establish a leader responsibility system so leaders can supervise and provide guidance for the study activities at the next lower level. Secretaries of party committees at each level should take the overall responsibility and personally take charge of their committees' study activities. Organization and propaganda departments, discipline inspection organs, and party schools should closely cooperate with each other; provide more specific guidelines for the study; and step up supervision and inspection of studies. Proceeding from the actual situations of their departments or units, party organizations at all levels should work out a practical and feasible study plan and work program, clearly outline the study demands, methods, procedures, and measures; build a backbone team to publicize the theory and help party members with their studies; depending on local conditions, they should use various and flexible means and forms to organize study activities; they should target study on specific purposes, make it more practical, conduct it in a down-to-earth manner, and should not do it just for form's sake. For incompetent grass-roots party organizations in a lax and paralyzed state, high-level party organizations should send capable cadres to help them improve work, to organically integrate improving efforts with study activities, and to interweave study and education with the work to improve these grass-

roots organizations. Leading cadres with party membership should go deep to the grassroots, properly conduct investigations and studies, provide guidance for work of each front, sum up and promote experience drawn from typical cases, and solve problems as soon as they are found to deepen the study activities. As long as we follow the central authorities' guidelines, make proper arrangements, and ensure that all work is properly and solidly carried out, we definitely will be able to enhance party members' party spirit and ideological and political consciousness and to better build up the troop of our party members.

#### Local Protectionism in Law Enforcement

HK0806013895 Beijing FAZHI RIBAO in Chinese  
25 Apr 95 pp 1, 2

[Article by special commentator Lin Zhongliang (2651 0022 2733): "Resolutely Eradicate Local Protectionism in Law Enforcement"]

[FBIS Translated Text] During the course of economic structural transformation in recent years, owing to a combination of factors, the tendency of local protectionism is gradually gaining ground in economic fields. This erroneous tendency has also found expression gradually in the law enforcement work, and there have been signs that it is further spreading and escalating. Generally speaking, law enforcement work has maintained its inviolability and impartiality overall, while the overwhelming majority of law enforcement personnel have dealt with cases impartially, upholding the belief that everyone is equal in the face of law. This does not mean, however, that we can turn a blind eye to the malpractice of local protectionism existing in a tiny minority of law enforcement organs and among a handful of law enforcement personnel. Party committees, governments, and law enforcement organs at all levels as well as relevant functionary departments must pay sufficient attention to this problem, adopt timely and resolute measures, and strive to eradicate this incorrect tendency once and for all. Failure to achieve this will sow the seeds of untold troubles.

The so-called local protectionism in law enforcement refers to malpractices by which certain law enforcement organs and personnel deliberately distort facts, misinterpret laws, and provide protection for the illegitimate interests of litigants from their own localities by various improper means. Employed mostly in dealing with economic disputes and economic criminal cases, such malpractices, despite their various forms, can mainly be summed up in the following categories: First, reluctance or overreaction over the jurisdiction of cases. Some law enforcement organs and personnel tactfully declined, by using all kinds of gentle excuses, to accept and exam-

ine the legitimate lawsuits legally lodged by litigants from outside their localities, which should be put on file for investigation according to the law; or showed partiality to the interests of litigants from their own localities by using the method of doing nothing. On the other hand, some law enforcement organs and personnel tried all possible means to justify their acceptance of illegitimate lawsuits lodged by litigants from their own localities, which should not be accepted according to the law; while others, fighting with other localities for jurisdiction over certain cases, even wantonly violated relevant rules by accepting duplicate cases which had already been put on file for examination by other localities. By doing all these, the law enforcement organs and personnel aimed to give unprincipled protection to litigants from their own localities by abusing the power entrusted to law enforcement organs. Second, deliberate moves to create confusion over the nature of related cases. By deliberately categorizing economic disputes as economic fraud, some law enforcement organs have attempted to overstep their authority and put a hand in the disposing of economic dispute cases; or abused the power entrusted to the organs of dictatorship and "demanded compensations on behalf of the litigants from their own localities by such illegal and violent means as holding the litigants from other localities as hostages, thus grossly infringing upon the personal and democratic rights of the latter. In their attempt to protect the illegitimate economic interests of their own localities, some purposely dealt with economic criminal cases — including cases of economic fraud, counterfeiting trademarks, and production and sale of fake and poor-quality commodities — as economic disputes, so as to protect the illegitimate economic interests of their own localities and create obstacles for further investigations into the illegal activities of local economic criminals. Others even treated criminals as heroes and tried in all possible ways to assist the latter to escape punishment. Third, partiality showed over the ruling of cases. In defiance of facts and the law, some law enforcement organs exerted every effort to interpret the law in favor of litigants from their own localities, meted out unfair convictions, showed excessive leniency to and shielded litigants from their own localities, and wantonly infringed upon the legitimate rights and interests of litigants from other localities. Fourth, deliberate moves to make things difficult for law enforcement organs from other localities over the implementation of court rulings. Instead of providing support and coordination for the law enforcement personnel from other localities in their work to implement court rulings according to the law, some law enforcement organs tried all they could to obstruct implementation of relevant rulings, in collusion with local litigants and departments concerned; they even attacked,

beat, and detained law enforcement personnel from outside their own localities. Fifth, certain party and government leaders interfered, by abusing their power, in the ways in which local law enforcement organs and personnel handled certain cases according to the law. With the excuse that "fertile water should not be allowed to flow into the fields of others," they forced local law enforcement organs and personnel to act in violation of the law for the purpose of protecting illegitimate local interests. There were also certain party and government departments which abused their power as higher authorities to impose a greater pressure on law enforcement organs, thus forcing law enforcement personnel into dealing with certain cases in violation of the law. With various different forms, these malpractices actually share a common nature, that is, giving no consideration to the country's overall interests, bidding defiance to the inviolability and consistency of state laws, centering all activities around the interests of their own localities, profaning the sanctity of the law by means of pragmatism, and infringing upon the legitimate rights and interests of litigants of other localities. To put it in a nutshell, local protectionism is, in essence, parochial departmental selfishness and mountain-stronghold mentality; expanded individualism; and a new variety of ultra-individualism. Since moves to protect the illegitimate interests of local litigants are always driven by selfish motives, they virtually are moves to bend the law for personal interests and gains. The ideological root of local protectionism is the mentality of feudalism and small-scale farming featured by backwardness, decentralism, and separatism.

Local protectionism in law enforcement can do much harm in many ways, and we must be fully aware of this. First, through protecting illegal local interests by legal means, local protectionism virtually creates conditions for localities to put up barriers between and cut up links among different localities and regions, thus protecting the backward. In this way, it will severely hinder the establishment of a socialist market economic structure noted for its unified management, openness, and conditions for equal competition; impair the sustained and rapid development of the national economy; and obstruct the smooth progress of China's reform, opening up, and modernization drive. Secondly, because it severely infringes upon the legitimate rights and interests of litigants of other localities and protects local economic criminal elements, local protectionism will inevitably infringe upon the personal and democratic rights and economic interests of litigants of other localities. Third, local protectionism will eventually jeopardize the overall and long-term interests of the localities of the advocates themselves. Since it only provides protection for the illegal, short-term, and partial

interests of a small number of local units and people, local protectionism will eventually destroy the overall image and reputation of a locality, and scare away investors and operators from outside the locality. Is it not an unwise move to scare away investors and operations coming from other localities, as it will make a locality lose more than its gain and also hinder the long-term development of the local economy? Fourth, local protectionism does great harm to the consistency of the socialist legal system and profanes the sanctity of the law. It is an important principle of the socialist legal system that all are equal in the face of law and that laws must be observed and enforced to the letter and law-breakers punished. However, those who practice local protectionism have abandoned this principle. To protect the illegitimate interests of a handful of people in their own localities, some of them ignore laws by neither observing nor enforcing them and by failing to punish law-breakers; some adopted a pragmatic approach toward the law, quoted out of context, and made use of only what they needed; while others, blinded by lust for gain, even openly defied the law, insisted on having their own way, and abused their power to force others to do as ordered instead of following the law. If we fail to eradicate this malpractice thoroughly, local protectionism will eventually jeopardize the consistency of the socialist legal system, weaken the authority of socialist law, and impair the comprehensive and correct implementation of laws, rules, and statutes. As a result, it will bring shame on the image of the party and the state, aggravate the situation under which policies and administrative decrees cannot be fully implemented, and endanger the lengthy and peaceful reign of socialist society.

The party Central Committee and the State Council have recently issued repeated injunctions on strictly banning the practice of local protectionism in any form, while law enforcement organs at the central level have adopted many measures to prevent and redress the problem, and have achieved certain results in this regard. Despite all this, however, local protectionism is growing in intensity in a number of localities, bringing increasingly greater harm. If we allow the problem to spread unchecked, the consequences will be too ghastly to contemplate. Therefore, party committees, governments, and law enforcement organs at all levels should adopt more powerful and effective measures to eradicate the problem once and for all. Generally speaking, to strictly enforce organs and prohibitions, we must have firm determination, work with all sides and along different lines, and start the work with party and government leaders, with law enforcement organs, especially leading organs, and with our own localities. 1) Party and government leaders should set



examples for their subordinates, take the lead in strictly enforcing and observing the law, and never practice local protectionism or interfere by any illegal means in the impartial handling of cases of law enforcement organs and personnel; still less should they force law enforcement organs to show partiality to the illegitimate interests of local units and people concerned. On the other hand, they should conscientiously perform their duties as leaders, supervise and support the impartial law enforcement of law-enforcement organs, and take timely and resolute steps to redress problems of local protectionism and never cover them up, connive, or allow them spread unchecked. 2) Law enforcement organs should loyally perform their duties and strictly fulfill their sacred tasks. When handling cases, no matter whether the litigants come from their own localities or from other localities, they should adhere at every link to the principle that all are equal in the face of law, mete out fair rulings in accordance with the law, and adopt resolute measures to implement the rulings. They should have the courage to remove all the obstacles created through various channels by litigants from their own localities, and resolutely resist illegal interferences, even those made by local party and government leaders. The attitude of law enforcement personnel is crucial, for they are the very ones to exercise functions in the handling of all kinds of cases, and their role is therefore irreplaceable. So long as law enforcement personnel uphold principles in their work and enforce the law strictly, local protectionists will by no means succeed in their attempt to interfere in law enforcement.

3) Leading law enforcement organs should improve their supervision and coordination; those at the provincial level, and at the central level in particular, should play a more important role in supervising and redressing problems of local protectionism existing in law enforcement. Under the present situation wherein there are frequent economic contacts between different localities and regions, transregional economic disputes and economic criminal cases have increased considerably. To deal with these transregional cases in an impartial way, we will not only rely on grass-roots law enforcement organs to show impartiality in case handling, but also on the efforts of law enforcement organs at higher levels to strengthen their supervision and inspection according to the law, and to promptly uncover and resolutely redress problems of local protectionism. For cases which are in dispute by the law enforcement organs of two different localities, or in which complaints and accusations have been filed against one of the parties concerned, leading law enforcement organs with the power to exercise unified management and coordination should take the initiative to accept such cases for examination, and adopt resolute measures to make timely coordination.

4) All departments and units are required to support law enforcement organs to enforce the law impartially. Different economic management departments, administrative law-enforcement sectors, banks and financial institutions, and all enterprises and administrative undertakings should take the initiative to coordinate with law enforcement organs from other localities in their work; resolutely obey and implement the rulings handed down by law-enforcement organs of other localities in accordance with the law; and never support any departments, units, or individuals in practicing local protectionism. 5) In the course of studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we should also organize party and government cadres and law enforcement personnel to learn and acquire knowledge of the socialist market economy, conduct extensive propaganda and education on opposing problems of local protectionism existing in law enforcement, guide people to enforce the law consciously, and resist the interference of local protectionism. In our efforts to rectify the discipline and work style of party-member leading cadres and public security officers, we should regard it a major task to eradicate the malpractice of local protectionism. Leading cadres and law enforcement personnel who refuse to observe orders and prohibitions and continue with the practice of local protectionism will be seriously dealt with in accordance with party discipline and state laws, and should by no means be shielded or given clemency. Those who break the law during law enforcement, bend the law for personal gain, mete out unfair rulings, detain people illegally, and neglect their duty as a result of their practice of local protectionism, should be called to account according to the law and dealt with severely.

In a word, local protectionism in law enforcement is a formidable foe of the socialist market economy and socialist legal system. The whole party and the whole country, and law enforcement organs and personnel in particular, should seek unity in thinking, make concerted efforts, and promptly eradicate the problem. Only in this way can we provide a powerful legal guarantee for establishing the socialist market economic structure and for accelerating the pace of the country's modernization drive!

#### **Tibet Leaders Mourn Kong Fansen**

HK0806101795 Beijing RENMIN RIBAO in Chinese  
24 Apr 95 p 3

[Article by Chen Kuiyuan, Tibet Regional Party Secretary, Raidi, Chairman of the Regional People's Congress Standing Committee, and Gyaincain Norbu, Chairman of the Regional People's Government: "A Good Public



Servant of the Tibetan People—Cherishing the Memory of Comrade Kong Fansen"]

[FBIS Translated Text] It has been five months since Comrade Kong Fansen left us. As we recall scenes of our work and life together on the Tibetan Plateau these past years, we cannot suppress our deep longing for him. His smiling face and friendly look, his strong Shandong accent and his big strides as he hurried from one place to another keep coming back to our minds.

Comrade Kong Fansen had twice come to work in Tibet and had spent 10 years here. He earnestly practiced the party's aim of wholeheartedly serving the people, devoted precious years to the people of various nationalities in Tibet and to the great cause of invigorating Tibet, left his immortal spirit on the Tibetan Plateau, and erected an eternal monument on the Roof of the World and in the minds of the people of all nationalities in Tibet with his lofty ideas and virtue and his brilliant achievements.

Comrade Kong Fansen was a native of Liaocheng, Shandong Province. Educated and nurtured by the party, and through protracted revolutionary practice, he reinforced his firm conviction in cherishing the party and the socialist motherland and in fighting relentlessly for the party's cause. He always cherished a strong feeling of dedication and sense of responsibility toward the party and the people. In 1979, the Central Committee decided to transfer a number of cadres to support work in Tibet. In spite of difficulties at home, Comrade Kong Fansen, then deputy propaganda director of the Liaocheng Prefectural Party Committee in Shandong, actively responded to the party organization's call and gladly headed for Tibet. Originally, Comrade Kong Fansen was given the corresponding post as deputy propaganda director of the Xigaze Prefectural Party Committee. However, since a leading cadre was needed in Gamba County, which was on a high altitude where conditions were rough, the party decided to appoint him as deputy secretary of the Gamba County Party Committee. When asked what he thought of this posting, he said without any hesitation: "As a party cadre, I obey the arrangements of the party." Gamba is a border county over 4,700 meters above sea level. It is inaccessible and has poor working and living conditions. After taking up his post in Gamba, Comrade Kong Fansen defied difficulties and went down to the grass-roots units and among the masses, where he earnestly conducted investigations and studies, resolutely implemented the line, principles, and policies laid down by the 3d Plenary Session of the 11th CPC Central Committee, actively promoted reform of the agricultural and pastoral areas of Tibet with focus on the policy of "keeping two practices unchanged" (referring

to the practice of letting households keep their land and make their own decisions on how to use it, and the practice of letting households raise and keep their own animals), and formulated plans to help the people shake off poverty and achieve prosperity. He won the affection of the cadres and the people of Gamba with his easy-going manner, his hard-working, frugal, and pragmatic workstyle, and his concern for the well-being of the people.

In 1988, Comrade Kong Fansen was transferred to work in Tibet for a second time from his post as deputy commissioner of Liaocheng Prefecture in Shandong. During his four-year term as vice mayor of Lhasa, he often went down to the grass-roots units to familiarize himself with the situation and to actively publicize the party's principles and policies. He earnestly did a lot of good and solid work for the masses, and devoted a lot of time and effort to culture, education, public health, and civil administration, for which he was responsible. He won the praise of the cadres and people of various nationalities for his outstanding contributions to the development of Lhasa.

At the end of 1992, when transfers of prefectural and city leading groups were being considered, the secretary of Ngari Prefectural Party Committee was ill-adapted to the place and needed to be transferred out. We reckoned that since conditions were rough and work was difficult in Ngari in western Tibet, we needed an experienced leading cadre who had a strong party spirit, good workstyle, and the ability to make policy decisions independently. In our opinion, Comrade Kong Fansen was a suitable candidate for promotion to this important post. At that time, Comrade Kong Fansen was approaching the end of his tour of duty in Tibet. With an aging mother, a sick wife, and children at school, it would have been a natural choice for him to opt for transfer back to his hometown. However, when we spoke to him and told him about the organization's intentions, he resolutely made known his stance: I am a party cadre. If the party committee of the autonomous region have this intention and the organization has such faith in me, I will go to Ngari. Please reassure the regional party committee that I will not let the organization down. I will do my best in Ngari.

Thus, Comrade Fansen, who cherished a strong conviction in rendering his service to the development of Tibet, gave up his chance to make an early return to his hometown and took up the important post of Secretary of the Ngari Prefectural Party Committee.

Ngari has an area of 305,000 square kilometers but only a population of some 60,000 people. It takes five days to travel by car from Lhasa to the seat of the Ngari

Prefectural Party Committee, and most products have to use Xinjiang as a transit point entering or leaving the territory. The natural conditions are harsh. Some of the herdsmen in Ngari have for generations been living in high-altitude places considered "areas out of bounds for living beings." Life is not only a far cry from coastal Shandong, but is also a lot tougher compared with places like Lhasa, Xigaze, and Shannan. Comrade Kong Fansen not only had to deal with poverty and backwardness, but had to cope with two consecutive years of drought. In early 1994, the Ngari Plateau was hit by an extraordinarily serious snowstorm. On hearing news of the disaster, the autonomous regional party committee and government dispatched a work group headed by Vice Chairman Cering Zhuoga to help fight disaster and provide relief. Together with Comrade Kong Fansen, they inspected the disaster-stricken areas and conveyed the concern of the party and state to the grass-roots units and victims. In its report to the autonomous regional party committee and government, the work group highly praised Comrade Kong Fansen for his wholehearted dedication in helping the masses of the people of Tibet. Comrade Kong Fansen continued to direct the work of fighting disasters and providing relief in spite of his illness. He visited the worst hit and most hazardous areas. Working hard under his leadership for more than one month, the masses won a victory in their battle against disaster.

Comrade Kong Fansen had a strong sense of responsibility as well as a great dedication to the revolutionary cause. He regarded the economic invigoration of Ngari as his own responsibility, and brought to Ngari the work style of going down to the grass-roots units, stressing investigation and studies, maintaining close ties with the masses, seeking the truth, and working in a pragmatic way, which he had long upheld. He often went down to the first line of agricultural and animal husbandry production and among the masses of farmers and herdsmen. Proceeding from the actual conditions in Ngari, he creatively implemented the line, principles, and policies of the party, actively explored ways of expediting economic development in Ngari, and worked tirelessly for the development of the prefecture. He visited 98 of the 106 townships in the prefecture and left his footprints all over the vast highland. On the basis of conducting thorough investigations and studies, he joined the leaders of the Ngari Prefectural Party Committee and Administrative Commission in actively exploring ways of shaking off poverty and achieving prosperity. Together they drew up a development strategy which put emphasis on foreign trade, tourism, and the exploitation of resources and which gave priority to energy, transportation, and telecommunications, formulated a series of coordinated policies and measures in support of the development of

enterprises and townships, and mapped out the blueprint for economic and social development in Ngari. They led the cadres and the masses in working hard to change the poor and backward appearance of the place, and successively built power plants, cement plants, and wool carding factories in Ngari, thereby strengthening the material foundation for expediting the development of the prefecture.

Transport used to be the biggest headache in Ngari. In the early days of liberation, the central government resolved to build the Xinjiang-Tibet Highway between southern Xinjiang and Ngari, the world's highest highway which cuts across several slopes over 6,000 meters above sea level. The central government's transport departments expended great financial resources and energy on the building and maintenance of this highway. The Xinjiang Autonomous Regional Party Committee and Government as well as the people of Xinjiang showed Ngari their great concern and support. Comrade Fansen was deeply aware of the fact that ensuring smooth traffic on this highway and further cementing ties of cooperation with the neighboring areas had a vital bearing on Ngari's future. On November 18, 1994, he drove more than 2,800 kilometers to Xinjiang to seek help from the Xinjiang Autonomous Region on such questions as grain delivery, oil supply, and transport on the Xinjiang-Tibet Highway. With the energetic support of the Xinjiang Autonomous Regional Party Committee and Government, a number of decisions on assisting Ngari in developing the economy and improving the people's livelihood were reached. Just when Comrade Kong Fansen was ready to translate this great plan into reality, he died while on his way to inspect border trade. Comrade Kong Fansen's premature death cost the party a good party member and cadre, cost us a good comrade, and cost the people of Ngari a good leader and friend. The people of all nationalities in Tibet are deeply grieved.

Comrade Kong Fansen's brilliant life left us rich spiritual wealth. Though short, his life shone with the radiance of his lofty aspirations and hard work. He persisted in studying Marxism-Leninism-Mao Zedong Thought, diligently studied and practiced Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, resolutely implemented the party's basic line, resolutely defended the unity of the motherland as well as unity among all nationalities, and made great contributions toward economic development and various undertakings in Tibet. He established the lofty image of a Communist of the new period who devoted himself to the party's tasks, worked untiringly for the party and the people, showed consideration for the overall situation, was clean and honest, persisted in hard work and plain living, and worked selflessly for the public interest. He

was good at cementing close ties with the masses and was humble and prudent. He united with his comrades and cared about other cadres. He was strict with himself and lenient toward others, and won the respect of the vast numbers of cadres and the masses with his actual deeds. He implemented the party's nationality policies in an exemplary way and cherished the land and the people of Tibet. When he went down to the grassroots units to conduct investigations and studies and give guidance in work, he always carried a small medical kit on his back and personally delivered medicine to the Tibetan people. Wherever he went, he visited the old, the widowed, and the orphaned, and helped solve their livelihood problems. He adopted two Tibetan orphans and cared for their livelihood and studies like a loving father. He cared about the old Tibetan people more than he did his own mother, and cared about the children of Tibet more than he did his own children. As a cadre of Han nationality, it was very admirable of him to do all this. He cultivated a deep friendship with the Tibetans during his stay of nearly 10 years, and he made great contributions toward strengthening the unity between the people of Han and Tibetan nationalities. He was the role model for leading cadres of the 1990s, the model for unity among different nationalities, as well as an outstanding model and representative of Tibetan cadres, particularly cadres transferred to work in Tibet. He gave concentrated expression to the quest and spiritual outlook of leading party cadres who worked endlessly and tirelessly for the party and the people under new historical conditions. He also reflected the strong party spirit and noble character of a Communist, and epitomized the virtue and outstanding qualities of nationality cadres who worked and sacrificed their lives working in frontier regions of the motherland. His noble spirit was the concrete expression of the "Old Tibet" spirit of "being particularly good at enduring hardships, exercising patience, waging struggles, dedicating oneself, and uniting with others" under current conditions.

Before his death, the moving deeds of Comrade Kong Fansen were already reported repeatedly in the Tibetan news media and in some of the central media. In the 1994 national appraisal of advanced collectives and individuals in maintaining unity among all nationalities, we recommended that he be given the honour, and our recommendation was approved by the State Council. In so doing, we fully affirmed his noble character and outstanding work in promoting national unity and progress. Not long after Comrade Fansen's untimely death, the autonomous regional party committee and government promptly decided to launch a region-wide campaign to learn from Kong Fansen. A mass drive to publicize and learn from the advanced deeds of Comrade Kong Fansen was quickly whipped up in

the whole region, and the vast number of cadres and the masses were educated and encouraged to redouble their efforts in expediting development and maintaining social stability in Tibet.

Tibet is a place where life is hard, but it is also a beautiful place which holds great potential for development. For generations, the people of Tibet have made great contributions and sacrifices for this sacred territory of the motherland. Since the peaceful liberation of Tibet in 1950, outstanding Communist Party members and people's heroes have marched one after another into Tibet to help build the region. Many of them were buried on the top of Mount Tanggula or beside the Sichuan-Tibet, Qinghai-Tibet and Xinjiang-Tibet Highways. Zhang Jingwu [1728 4842 2976], Zhang Guohua [1728 0948 5478], Tan Guansan [6223 0385 0005], and other people of the older generation had set their examples for us, while people like Feng Jun [7458 6511] and Kong Fansen of this generation had advanced valiantly under the banner of their predecessors, devoted themselves selflessly, and made great achievements for the new times. Comrade Fansen has left us forever, but his life-long pursuit and his noble feelings and sentiments will always be an example for us.

The Central Committee's third seminar on work in Tibet brought new prospects to the stability and development of Tibet. Thoroughly implementing the spirit of this seminar is an extremely important task for the people of all nationalities in Tibet. It needs the dedication and hard work of thousands and thousands of comrades like Kong Fansen. We should unfold in the whole autonomous region a campaign to learn from Comrade Kong Fansen, integrate the work of emulating Comrade Kong Fansen's heroic deeds with the work of organizing the vast numbers of party members to study the party constitution and strengthening education on ideals, beliefs, and aims and on democratic centralism, raise the self-awareness of the vast numbers of party members in striving to realize the party's aim and in wholeheartedly serving the people, and further enhance the dedication and sense of responsibility of cadres at all levels toward the party, so that they will all follow the example set by Comrade Kong Fansen in embracing a firm belief in communism as well as a Marxist world outlook and outlook on life, becoming willing public servants who serve the people, rendering meritorious services to the party and the people, and making their due contributions toward the stability and development of Tibet. The work of learning from Comrade Kong Fansen should also be integrated with the fight against corruption and the building of a clean and honest government, so that everyone will follow the example set by Comrade Kong Fansen in building a party



for the interests of the vast majority, embracing a clean and honest work style, saying no to fame and profit, carrying forward the fine workstyle of plain living and hard work, and promoting a fundamental improvement in party style. It should be integrated with education on the anti-secessionist struggle and on patriotism, so that everyone will follow the example set by Comrade Kong Fansen in putting the interests of the party and the state above everything else, carrying forward the spirit of patriotism, resolutely opposing all secessionist acts, and firmly maintaining the unity of the motherland. It should be integrated with the conscientious study of the Marxist theories on the nationality question and with efforts to implement the party's policies toward the nationalities, so that everyone will follow the example set by Comrade Kong Fansen in cherishing unity among all nationalities as one cherishes his eyes, waging a resolute struggle against all acts that undermine or are detrimental to national unity, and further strengthening unity among all nationalities in our autonomous region. It should also be integrated with the work of inheriting and carrying the spirit of "Old Tibet," so that everyone will work hard and devote themselves selflessly to the promotion of economic development and various other undertakings in Tibet.

Although Comrade Kong Fansen has left us, his integrity and lofty spirit will always inspire us to advance valiantly along the road of building socialism with Chinese characteristics charted by Comrade Deng Xiaoping.

#### **Beijing Commends Veteran Women Journalists**

OW0806094395 Beijing XINHUA in English  
0907 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — More than 60 women who have been engaged in journalistic work for 50 years each were commended here today.

They all entered upon the journalistic career around the time of the victory of the War of Resistance Against Japan (1937-1945) and made great contributions to China's media development, according to the Beijing Women Journalists Association (BWJA).

Organized by the BWJA, the commendation conference was held on the occasion of the 50th anniversary of the victory of the War of Resistance Against Japan and the World Anti-Fascist War and to greet the UN Fourth World Conference on Women, which will be held here in September this year.

Those commended included women reporters who worked in base areas behind the enemy lines and broadcasters who worked in the cave dwellings in Yan'an, said Li Qin, president of the BWJA.

The BWJA, established in 1986, now has more than 7,000 members working in over 80 news organizations based in Beijing. It is aimed at helping women journalists improve their reporting skills and protect their rights.

#### **Seminar Held on Reassignment of Surplus Workers**

OW0706145895 Beijing XINHUA Domestic Service  
in Chinese 1536 GMT 30 May 95

[By reporter Liao Yuan (1675 0626)]

[FBIS Translated Text] Nanjing, 30 May (XINHUA) — A seminar on reassigning surplus workers in state-owned large and medium-sized enterprises and on transforming "enterprise-based society" [qi ye ban she hui 0120 2814 6586 4357 2585], which ended here 30 May, proposed rational reassignment and placement of surplus personnel through various channels to serve best the interests of deepening reform, promoting development, and maintaining stability.

The seminar was jointly organized by the State Economic and Trade Commission, the Labor Ministry, the All-China Federation of Trade Unions, and the National City and Town Collective Economic Research Institute. Over 70 delegates from all over the country conducted in-depth studies on the significance of and the ways, means, and policies for separating the functions of "enterprise-based society"; on ways to bring out fully the roles of collective and cooperative economies; on how redundant personnel in enterprises can be reassigned; and on relevant laws, policies, and systems.

Attending delegates maintained that solving the problem of redundant personnel in state-owned enterprises is a complicated social system project to be resolved only in accordance with guidelines set by the Central Economic Work Conference and the Third Session of the Eighth National People's Congress, requiring enthusiasm on the part of the government, the enterprises, and the workers themselves in regard to reassigning them in various enterprises. In addition to social replacement, individuals should be encouraged to find their own employment. Redundant personnel in state-owned large and medium-sized enterprises should be rationally reassigned through various channels.



### Article Links Social Progress With Education

OW0606132395 Beijing XINHUA Domestic Service  
in Chinese 1205 GMT 29 May 95

["Feature" by reporters Feng Yingbing (7458 3841 0393) and Yang Ning (2799 1337): "National Conditions and National Policy"]

[FBIS Translated Text] Beijing, 29 May (XINHUA) — Rejuvenating the country through the application of science and technology and the promotion of education — a major strategic policy in China's new era — has quickly spread and created waves across the nation following the publication of the "CPC Central Committee and State Council Decision on Accelerating Scientific and Technological Progress." The influence of this national policy, which conforms to China's national conditions, will definitely extend for centuries.

### A Decision Geared Toward Reality

"Firmly implement the strategy of rejuvenating the country through the application of science and technology and the promotion of education."

This major decision of the party central committee and the State Council has clearly shown the way essential for the country to gain awareness and strength on its own. This conforms with the general trend in world development.

It has been shown that current economically developed countries have attached great importance to scientific and technological progress without exception. The United States gave priority to the development of science and technology at the beginning of its nation founding. The ROK introduced the strategy of rejuvenating the country through the application of science and technology and the promotion of education in the 1960's, and accomplished the process of industrialization in just 40 years.

Compared with these countries, our strategy for rejuvenating the country includes the promotion of education. The inclusion of education is exactly the decision geared toward our nation's reality.

Vast territory, a huge population, and extremely great contrasts: our country is greeting the dawn of civilization of the 21st century and yet continues to be flooded with worn out superstition; the computer is replacing paper and pen, on the other hand, the slash-and-burn farming method is still practiced; satellites are launched into space, still, children drop out of school....[ellipses as received]

The educational level of the public is generally low. Although through the efforts of over a decade, China

has eliminated some 60 million illiterates and lowered the illiteracy rate of young people and adults aged between 15 and 40 years to below seven percent; provided training for 40 million young and adult farmers and 30 million workers annually; and enabled millions of people to complete their adult education and postgraduate studies annually, statistics show that there is still one illiterate in every five Chinese, and one Chinese in every four illiterates in the world.

Lenin said long ago: It is impossible to establish socialism in a country that has a large number of illiterates. It has been proven that when regions are socially and economically more developed, the people's educational level will be higher. And, regions with a low educational level will not develop socially and economically. Stupidity and poverty are always twin brothers. Therefore, to rejuvenate the country, illiteracy must be eliminated and the quality of the public, especially that of workers, must be raised.

It is understood that some developed countries define the concept of illiteracy not only as inability to read and write, but also a lack of knowledge in fundamental science and technology, which we call science illiteracy. The number of science illiterates in our country is larger than that of illiterates.

Faced with such a reality, education appears especially important and pressing. We can indeed say that if education is not promoted, there will be numerous difficulties for scientific and technological development.

Comrade Deng Xiaoping resoundingly promoted: "science and technology is the primary production force," precisely out of his in-depth understanding of the national conditions. He also explicitly pointed out that "education is the foundation." Now, the strategy of rejuvenating the country through the application of science and technology and promotion of education, forwarded by the CPC Central Committee and the State Council, has precisely and comprehensively reflected and implemented Comrade Deng Xiaoping's two brilliant theses.

Getting to the root of the matter, countries that have developed quickly initially promoted education. Once we have solved the problem we face today and laid a good foundation, we can then rejuvenate our country with science and technology wholeheartedly. Since the end of the Second World War, Japan and Germany have rebuilt themselves over a stretch of ruins. They mainly depended on promoting education to raise workers' quality. Some scholars recalled the situation at that time and wrote: When darkness fell, shops in Tokyo streets closed one after another, only bookshops and newsstands remained open. To encourage reading, Japan has implemented the uniform supply of lunches and free

textbooks for secondary and elementary schools, while Germany has developed a world-renowned vocational educational format — the dual-track system. Trainees undergo training in operational skills at enterprises three to four days weekly while studying in school for one to two days. Without rapid educational development, there will be no scientific and technological progress or economic rise for them.

### **Science and Technology and Education — A Two-Way Driving Force**

When a group of scientific and technological personnel promoted the use of chemical fertilizers in the Taihang mountain regions, peasants adamantly refused to apply the fertilizers on their farms.

This unbelievable incident occurred only a decade ago. In some even more remote regions, incidents more bizarre than this still occur today.

Without a certain degree of quality education, it is impossible to understand the force of and consciously apply science and technology to quickly change backward production methods. In other words, without education as the foundation and guide, the process of transforming science and technology into actual productive force will be especially rough and endless.

Everyone obtains his or her initial scientific and technological knowledge in school. If a person's educational qualification is higher, his or her scientific and technological knowledge will be richer. In the words of a comrade in charge of the State Science and Technology Commission: School education is the main channel for popularizing knowledge in science and technology, disseminating scientific and technological thinking, and cultivating people's awareness of science and technology.

The most direct role played by education in promoting science and technology is the training of qualified personnel. Statistics show that in over a decade our country's educational institutions have trained thousands of qualified scientific and technological professionals. Meanwhile, the increasingly improved adult educational system has provided strong support for working personnel to renew and deepen their knowledge and skills. Wei Yu, well-known scientist and vice minister in charge of the State Education Commission, summed up: Scientific and technological progress depends on qualified personnel, and qualified personnel depends on education.

On the other hand, the educational front, especially the strong scientific research force of institutes of higher learning, is an important scientific and technological force. According to Wei Yu, there are over 800 in-

stitutes of higher learning and 240,000 personnel nationwide currently engaged in scientific research and development at different levels. The state scientific research tasks shouldered by this new force of numerous branches of learning and multiple levels include about 60 percent of the natural science foundation projects, 30 percent of the "863" high-technology projects, 15 percent of research tasks in key scientific and technological difficulties; 30 percent of key state programs; and 18 percent of the Spark Program projects. They have won one-quarter to one-half the total national awards in the above categories.

Education has helped to promote science and technology in various aspects. On the contrary, science and technology have had a deep influence over the development of education. First, science and technology has continued to improve and change teaching methods and raise teaching efficiency. The most notable aspect is the popularization of the teaching method of using electronic equipment. Second, science and technology have continued to improve and renew teaching components, either through the rewriting of textbooks or the introduction of new study subjects. We will be misleading and harming the younger generation if we do not teach scientific and technological knowledge and keep track of the latest scientific and technological achievements. The most typical example is the invention and teaching of computer science, considered the fundamental survival skill for people living in the 21st century. Many years ago, Comrade Deng Xiaoping stressed: Education in computer science must begin with children.

Science and technology and education are a two-way driving force, closely supplementary to and supportive of each other. We must not emphasize anyone of them at the expense of the other.

### **We Must Base Ourselves on the Cause of Rejuvenating the Country**

Many scholars feel that in establishing the strategy of rejuvenating the nation through the application of science and technology and the promotion of education, the nation has attached importance to science and technology and education. On the other hand, it has forwarded a more urgent demand: we must base ourselves on the cause of rejuvenating the country to serve economic development more consciously and directly. Through many years of unremitting efforts, we have caught up with and even surpassed the world's advanced level in many branches of learning. However, the rate of contributions by scientific and technological achievements to industrial and agricultural output is only half that of developed nations.

Many of our proud scientific and technological achievements are merely theses, copies of monographs, and awards. They have not been turned into products and/or applied to raising economic efficiency. It is understood that an average of less than 30 percent of scientific and technological achievements have been transferred nationwide, and the rate is only one to three percent for many institutes of higher learning, far lower than those of developed nations. The disparity is not only at the scientific research level, but also in the promotion and application of achievements as well as commodity awareness and market understanding.

Currently, to comprehensively implement Comrade Deng Xiaoping's thought that "science and technology are the primary productive force," it is crucial to turn scientific and technological achievements into actual productive force as quickly as possible and put them into extensive application through every possible means. If a scientific and technological achievement merely remains at the evaluation stage, then its promotion can only be considered half accomplished and its role as the "primary productive force" has not been truly exploited.

Another important task of basing ourselves on the cause of rejuvenating the country is to solve urgent and difficult problems in current economic development. These are scientific research problems, for which scientific and technological workers cannot shirk their responsibility. We must also conquer the most forward position in world science and technology, but even more we must think of everything we can do for the national welfare and the people's livelihood of our huge country of 1.2 billion. If we fail to effectively enhance agricultural production and establish efficient enterprises; and if old revolutionary, minority, remote, and poor regions cannot cast off poverty to become well-off as quickly as possible, how can our country become prosperous and developed? Therefore, we must correctly and scientifically handle the relations between the tasks of gearing toward economic development and raising the scientific and technological level. We should continue to implement the principle of "holding fast to one end and leaving the whole field open." We should redouble our research efforts in areas where needed and give complete and free rein to research, development, and business activities where warranted. We should not only display our skills in laboratories, but also in the vast world outside to score success.

We should likewise implement the same task in education. The party central committee and the State Council have advocated dependence on scientific and technological progress and the upgrading of workers' quality for economic development. As man is the most active fac-

tor in the productive forces, upgrading workers' quality means raising productivity. And the promotion of education is the most comprehensive and efficient channel and method to upgrade workers' quality. To accomplish these tasks, we must not merely do a good job in providing school education and basic education, but should also gear education toward the broad masses. We must not be satisfied with merely teaching and training people, but should also enter the main battlefield of economic development more directly, strive to promote scientific and technological development, and upgrade workers' and the people's quality.

Our country can be revitalized and the people can attain prosperity quickly if only we incorporate and vigorously promote science and technology and education, two fields popular among the people, into economic development.

#### **Education Reform Boosts Privately Run Schools**

*OW0706124095 Beijing XINHUA in English  
1137 GMT 7 Jun 95*

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — The education reform has boosted freedom for Chinese people to run schools.

So far, the country has allowed 16 universities as well as 800 middle schools to be run by the private and public sectors according to Zhang Tianbao, vice-minister of the State Education Commission, here today.

He told the on-going 18th Pacific Science Congress in a keynote speech that there also have been 4,000 primary schools and 17,000 kindergartens in this aspect.

And of the 1,080 universities and colleges nationwide, one-fifth are being run jointly by the school administrations and social forces like big enterprises, instead of being controlled solely by the government, Zhang said.

To date, some 200 universities have given up the free-tuition-system for their students — a major reform to fill up the education funding.

Zhang said that the fees vary in different universities, however, most school administrations have taken into account families' ability to pay.

The reform has again allowed most students to choose job voluntarily, and it will lead to the formation of a multi-channel-system to accumulate education funding, he said.

Zhang explained that all the measures serve to cater to the market forces, but added that any activities that go against the general education principles are not allowed, citing the "elite school".



The Pacific congress scheduled from June 5 to 12 has put education as one of the major topics for 1,000 experts from 50 countries and regions to discuss.

### Science & Technology

#### New Rockets Ready for Commercial Launching

OW0806033395 Beijing XINHUA in English  
0218 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — China has developed two new types of rocket with larger payloads than previous ones, ready for commercial use in carrying satellites, an official from the China Carrier Rocket Technology Research Institute said today.

The payload of the new rockets — Long-March III B and the Long-March III C — has been increased to 5 and 3.7 tons respectively, from the 2.6 tons of Long-March III A, he said.

The new rockets consist of a Long-March III A and booster rockets, and can carry two or more satellites at a time, the official said.

There were two successful launches of satellite-carrying Long-March III A rockets in 1994.

The rockets are capable of carrying all kinds of telecommunications satellites in the international commercial market, the official said.

The new rockets have newer technology added, and are highly reliable, he said.

According to sources, the Long March III B will be deployed to carry a large tele-communications satellite for the International Tele-Communication Satellite Organization.

It will also be used for the Asia-Pacific II R satellite for the Asia-Pacific Tele-Communication Satellite Co. at the end of 1996 or early 1997, the sources said.

#### Song Jian on Developing Forestry Science

HK0806014695 Beijing RENMIN RIBAO in Chinese  
24 Apr 95 p 11

[Speech by Song Jian, state councillor and minister of State Science and Technology Commission, at discussion attended by comrades in charge at the academy and institute levels of the Chinese Academy of Forestry Science: "Give Top Priority to Developing Science and Technology in Agriculture and Forestry"]

[FBIS Translated Text] For a long time after 1995, science and technology related to agriculture and forestry should be listed as priority fields for development in state science and technology work. This is a require-

ment posed by the existence and development of the Chinese nation.

#### Agriculture and Forestry Are an Eternal Theme for Existence and Development

With the improvement of living standards and the increase in population, scientists predict that China's population will peak at 1.6 billion in 30 to 50 years. What shall we do then? The most essential condition for the existence and development of the Chinese nation still depends on agriculture, forestry, livestock breeding, sideline production, and fisheries. That is why agriculture and forestry are an eternal theme for the existence and development of the Chinese nation. It will take not one generation or two generations, not one decade or two decades, but several centuries, to win freedom, and this is especially important to China.

In the early 1950s, China's population was not as large as it is today. Older comrades probably still remember that people then sang "China has a population of 450 million." But things are entirely different today. We should face the reality and adapt ourselves to the future. Comrade Deng Xiaoping said, "The greatest hope for economic and social development lies in science."

So long as human beings exist, they must eat, use commodities, and consume things. The most essential supplies for human beings are products of agriculture, forestry, animal husbandry, sideline production, and fisheries. Shortly after New China was founded, it was necessary to consolidate national defense. To defend the country from foreign invasion, the state gave top priority to the development of the atomic and hydrogen bombs. Now, there should be a shift, namely, during the new period, we should give top priority to agriculture and forestry, as well as related science and technology. We must greatly raise the status of agriculture and forestry and related branches of science. Although we have done much in this regard over the past few years, we have not done enough. Today, we must make up our minds to intensify the support. The Chinese Academy of Sciences and the Chinese Academy of Engineering must strengthen the force for research into agriculture and forestry. We must raise the social status of science and technology related to agriculture and forestry, and encourage children to devote themselves to this cause.

The objective need for human progress constitutes the most important driving force to promote scientific and technological progress. At any rate, we must raise to a due height the status of agriculture and forestry as the basis for human existence, give them top priority for development and increase their appeal.

### **The Whole Nation's Awareness of Protecting Forests Must Be Enhanced**

For a variety of reasons, there is now a big gap between forestry-related science and actual needs. However, what we should be proud of is that our forestry-related scientists and researchers have scored great successes despite insufficient investment and poor equipment. Many countries have acknowledged China as a strong cooperative partner. Recently, I visited a country, where metasequoia trees are grown that were named by Hu Xianxiao and Zheng Wanjun of China. I felt very proud of them because the world acknowledges that metasequoia is a tree species indigenous to China.

The basic science of forestry lies in development. For example, Longhorn beetles do not dare eat a new variety of cultivated poplar trees. This is really terrific. In the past, several million poplar trees were felled in Inner Mongolia and Gansu each year just because such beetles could not be controlled. Now, the control of such beetles is a very great achievement.

The greatest achievement in forestry lies in thoroughly halting the slide in forestry. The situation of deforestation is changing, and forestry coverage is increasing steadily and planting trees has become a nationwide campaign. I was told by a leading comrade of the Forestry Ministry that China's forestry coverage is set to rise to 15.5 percent by the end of the century, to 17.5 percent in the year of 2010 and to 28 percent in the year 2050. China has been praised all over the world for its tree-planting endeavors.

Because of excessive felling and the destruction of forests over the past several thousand years, there is now a very erroneous concept. In particular, some young people think that northwest China has nothing but strong winds and yellow land. When I visited Shaanxi last time, I asked local officials: "Can't you change the outlook of your locality?" Poems written in the Tang and Song dynasties said Shaanxi then had forests and bamboo woods and that the Li Shan and the Huaqing Pond had tall trees and streams. This shows that in the past Shaanxi had not only northwesterly winds, but also large tracts of forests. Why then can we not plant more trees there?

We must enhance our awareness of the need to protect forests. We cannot always have people drink the northwestern winds. How can we have nothing but yellow land? We must be determined to plant trees for 100 and even 200 years. For a nation, it is always true that one generation plants trees under whose shade another generation rests. People's need for forestry and the urgency for forestry-related science and technology must be embodied in state policy concerning science and technology.

bodied in state policy concerning science and technology.

Today, all countries pay close attention to environmental protection and the question of the emission of carbon dioxide. Planting trees is conducive to the settlement of the question. Forests "eat" carbon dioxide. Some people say that one hectare of forest can "eat" several tons of carbon dioxide a year. The increased acreage of forests can really absorb some carbon dioxide. Of course, we ultimately have to develop new energy sources. But we still have to burn coal and crude oil. Chemical energy is still indispensable. Therefore, in terms of environmental protection, it is also necessary to plant more trees. I hope that forestry researchers can produce as soon as possible specific data on how much carbon dioxide a tree can "eat" a year.

### **The Forward Position of Science and Technology Needs a Dare-To-Fight Contingent**

Compared with developed countries, China is fairly backward in basic research regarding forestry and agriculture. It is, therefore, necessary to pay particular attention to strengthening basic research. The emergence of modern biology constitutes a tremendous challenge to traditional forestry and agriculture, and provides an opportunity to the plant kingdom as a whole. This opportunity is also tied closely to China's development and progress.

Forestry-related science and research must advance to a higher level. It is necessary to strengthen the force engaged in the forward fields of world scientific research and increase input in the study of genes of the most important tree species. On the whole, it is necessary to step up research into molecular biology, cytology, and biology as a whole. Some comrades have said that some youth now are not willing to study taxonomy. Probably, this is due to problems in teaching methods. According to a report, there are 1.5 million plant species, 450,000 of which have been named, but two-thirds of which have not. We should encourage some young people to go into research and do the work of naming new plant species. It is very glorious to give a plant a Chinese name. We have done poorly in this respect, including the naming of ancient plants and animals. Young people dare not name specimens of many ancient plants and animals. Our youth should study hard and try out things boldly.

Why is it that there are not many plants and animals named by Chinese? I think that the minds of some people have not been emancipated thoroughly enough. Several young people in a plateau biological institute in Qinghai Province dared to try things out. They studied grasshoppers in the grassland and became well known

for naming 15 species of grasshoppers. They were invited to lecture all over the United States. We ought to encourage the youth to engage in taxonomy and provide necessary financial assistance to them. In short, we must maintain a strong force engaged in taxonomy and in the forward position of science and technology, and we must encourage our youth to work hard in the forward position of science and technology.

### **Military & Public Security**

#### **Jiang Zemin Meets PLA Cadres in Eastern Provinces**

HK0806021395 Beijing JIEFANGJUN BAO  
in Chinese 25 May 95 p 1

[Article by reporter Wang Wenjie (3769 2429 2638) and special correspondent Liu Donggeng (0491 2639 5087): "Chairman Jiang Zemin Stresses the Need To Vigorously Strengthen Ideological and Political Building, Persist in Running the Army with Strict Discipline, Seek Truth From Facts and Do Solid Work, While Meeting Cadres at or Above Division Level in the Ground, Navy, and Air Force Units Stationed in Jiangsu, Zhejiang, and Shanghai"]

[FBIS Translated Text] Shanghai, 24 May (JIEFANGJUN BAO)—Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission [CMC], stressed the need to vigorously strengthen ideological and political building, persist in running the Army with strict discipline, seek truth from facts, and do solid work, while meeting with cadres at or above the division level in the ground, navy, and air force units stationed in Jiangsu, Zhejiang, and Shanghai.

On his inspection tour to Jiangsu, Zhejiang, and Shanghai from 11 to 23 May, Chairman Jiang showed great concern for army building. Many times on his trip Chairman Jiang asked those accompanying him, namely, Fu Quanyou, member of the CMC and director of the General Logistics Department, and Gu Hui, commander of the Nanjing Military Region, about the current situation in army building. Chairman Jiang cordially received cadres at or above the division levels in the ground, navy, and air force units stationed in Wuxi, Hangzhou, and Shanghai, and delivered important speeches of guiding significance to army building. In Shanghai, Chairman Jiang also inspected the Second Military Medical University and its laboratory for liver and gall surgery. He had a cordial conversation with such experts as Wu Mengchao and tried to understand things about their work and lives.

Chairman Jiang pointed out that the current situation in army building is good as a whole, but at the same time it

is also necessary to realize the urgency and importance of strengthening ideological and political building in the Army under the new situation. With the implementation of reform and opening up, the phenomenon of "a mingling of good and bad" inevitably emerges; while good things are drawn in, bad things also take the chance to sneak in. All troops, especially those stationed in bustling cities and relatively developed regions, should remain vigilant against the corrupting influence of decadent capitalist ideas and culture, constantly build up resistance and immunity, and withstand the test of "feasting and revelry." The Army should persist in studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and his ideas on army building in the new period. It should also do a solid job in education on patriotism and dedication, education on having a revolutionary outlook on life, education on respect for cadres and love for soldiers, and education on arduous struggle being conducted throughout the Army so that officials and soldiers throughout the Army will always bear in mind the purpose of serving the people wholeheartedly, and enhance their sense of mission in patriotism, sense of honor in collectivism, and sense of pride in revolutionary heroism.

Chairman Jiang particularly stressed that leading cadres must play an exemplary role in resisting the corrupting influence of decadent ideas and culture and in strengthening ideological and political building in the Army. Chairman Jiang earnestly admonished them to resist corrupting influences without being tainted. He added that if the upper beam is not straight, the lower ones will go askew; the building will collapse if the middle beam is not straight. Whether a unit has unifying power and combat strength depends fundamentally on whether the leading body carries out arduous struggle, is honest and self-disciplined, and sets an example. Leading cadres should take the lead in resolving issues concerning outlook on the world and life and value concepts. Chairman Jiang advocated that leading cadres should also study more, read more, have a higher level of Marxism, and absorb more knowledge so that they can improve their realm of thought and mental outlook.

How should one lead and manage troops well during peacetime? Chairman Jiang stressed that it is absolutely necessary to run the Army with strict discipline, adding that no collectives can do without organizational discipline. The Army in particular cannot be administrated properly without strict management and iron discipline. Running the Army with strict discipline is a fine tradition of our Army. It is not an empty slogan but has a rich and solid content. The important thing is to implement it vigorously from upper to lower levels. Military regions should pay close attention to group armies which in turn



should pay close attention to divisions and regiments. Leading cadres at all levels should make an issue of the word "strict" and run the Army with strict discipline.

Upholding the workstyle of seeking truth from facts and doing solid work is what Chairman Jiang repeatedly told leading cadres to do and earnestly hoped they would do. He pointed out that seeking truth from facts and doing solid work is also a fine tradition of our party and Army. Now, some people lie without blushing. We should not encourage such a tendency! Our party practices materialism and has all along advocated speaking and acting honestly and being an honest person. Practicing fraud can only last for a short while, it cannot last for very long. What is lasting and worthy are relying on one's real efforts, real ability, genuine talent, and Marxist level. The entire party and Army should create an atmosphere of honor to speak the truth and shame to tell lies.

Chairman Jiang also received cadres at or above the regimental levels in the armed police units stationed in Zhejiang and Shanghai.

#### **General Staff Urges Research on Combat Methods**

*HK0806013095 Beijing JIEFANGJUN BAO  
in Chinese 27 Apr 95 p 1*

[Report by reporter Gu Boliang (7357 0130 5328): "General Staff Headquarters Issues Circular Requiring Deepened Research on Combat Methods Under Hi-Tech Conditions"]

[FBIS Translated Text] Beijing, 26 Apr (JIEFANGJUN BAO)—To implement the spirit of the enlarged meeting of the Central Military Commission as well as the important instructions of its leaders, and to promote profound development of the reform of military training, the General Staff Headquarters recently issued a circular on further deepening the research on combat methods. The circular demands that, beginning this year, through three years' efforts, the whole Army's research on combat methods should basically form the characteristics which embody combat under hi-tech conditions, and which meet the actual conditions of the currently available weapons; it also should form the combat theory, combat guidance, and basic policy that correspond to the military strategy and principles in the new period.

The circular points out that to establish a system of combat methods which meets the requirements of military strategy and principles in the new period, the whole Army should, on the basis of inheriting our Army's traditional combat methods, thoroughly carry out research on combat theory, combat guidance, and basic policy for partial war under hi-tech conditions; and establish a system of combat methods which is integrated vertically

and takes in everything horizontally, and which integrates topics with contents. Various units should closely consider actual conditions and produce a set of coordinated combat methods which meet combat needs under hi-tech conditions and which include various levels, various professions of various arms of the services, and various units of the three armed services.

The circular stresses that, to reach the main goal of research on combat methods, it is necessary to follow unified arrangement and concrete division of labor, and proceed phase by phase, level by level, and with emphasis. It is necessary to examine and discuss; to organize a phase seeking breakthroughs; to collect, classify, sum up, and sort out the achievements in combat methods derived over the past two years of training reform; and to make breakthroughs in key research topics. In the phase of thorough examination, deepening, and improvement, the headquarters should give instructions on drilling and training in key topics, and thoroughly examine and continuously perfect the achievements in combat methods during practice; the units should consider their own research topics and organize corresponding drilling, training, and simulated testing so as to examine and discuss the achievements in research on combat methods. In the phase of summing up, perfecting, and system forming, on the basis of extensively soliciting opinions and repeatedly discussing results, a system of combat methods should be formed which corresponds to the military strategy and principle in the new period and which has our Army's characteristics.

The circular demands that, following the general goal of research in combat methods, division of labor regarding duties, and procedures for implementation, various major units should formulate concrete work plans, centrally plan, and carefully make arrangements; various military regions and service arms should concentrate strength, closely coordinate their efforts surrounding the main duties, jointly tackle difficult topics, and seek breakthroughs in the key and difficult areas; military units should, through the link of training, especially in practicing combat methods, exercises in commanding departments, and comprehensive exercises involving actual mobilization of soldiers, examine and perfect the achievements of research on combat methods.

#### **Navy Assisting in Smuggling Crackdown**

*HK0806112295 Hong Kong HONGKONG  
STANDARD in English 8 Jun 95 p 7*

[By Wu Zhong]

[FBIS Transcribed Text] China's navy has been drafted in to join the country's fight against smuggling in the coastal borders — as Beijing aims to unify and better

coordinate the task forces nationwide. They will also crack down on corruption among the rank and file in regions, who were condemned by a senior Chinese leader, for the impotence of Beijing's anti-smuggling fight.

Chinese economic tsar Zhu Rongji has criticised some regional officials for their protection of smuggling activities within their jurisdiction in order to seek personal or local interest, Chinese sources said.

Mr Zhu, vice-premier, said there has been a drive to crack down on smuggling in coastal areas, which have become a hotbed for official corruption. He urged efforts to be made to look into big cases of official corruption among the anti-smuggling teams and seriously deal with corrupt anti smuggling officials so as "to purify" the enforcement teams. He also re-stressed that all antismuggling forces should be commanded directly by the central government, adding that China could not afford to have different "state gates", the sources said.

The sources also said that the navy should be invited to help intercept smuggling boats, if needed. It was also decided to reinforce the central co-ordination and leadership over the various anti-smuggling forces, namely, the customs, border guards, the public security, the administration of industry and commerce as well as the navy.

The central authorities have tried to co-ordinate the existing antismuggling forces since last year but met resistance from the regions. Usually, in China, a crackdown on smuggling could be pursued by the customs, regional border guards, public security and the administration of industry and commerce. Of all these anti-smuggling forces only the customs are directly responsible to the state and, as such, smuggled goods they confiscate must be handed over to the state.

The other forces are under the leadership of regional governments, and smuggled cargoes they confiscate become properties of the regions. Normally they would be auctioned, and the forces which seized the goods would share a certain proportion of the money made.

Since local and personal interests were directly concerned, Chinese sources said the regional forces had been enthusiastic, aggressive in taking actions while neglecting of central policies. But on the other hand, personnel of local anti-smuggling forces were easily corrupted and closed their eyes to some smugglers or even passed antismuggling information to the smugglers, the sources said, adding that such malpractice had been very serious in some coastal cities—they declined to identify the places.

Mr Zhu also attacked some regional party and government officials for their protection of big smuggling activities under the excuse of "promoting the local economy." He proposed that all the confiscated goods should be handed over to the customs for auction and the state would consider a reward the regional forces involved.

#### **Meeting on Hubei Army Units Flood-Control Role**

*HK0706124995 Wuhan Hubei People's Radio  
Network in Mandarin 1000 GMT 31 May 95*

[FBIS Translated Text] A coordination meeting of Army units in Hubei responsible for flood control and dealing with emergencies was held in Jingsha City from 26 to 28 May. The meeting focused its discussion on such issues as army command in flood prevention and coordination of the work, stressing that Army units should play a key role at critical moments.

Gong Gucheng, chief of staff of the Guangzhou Military Region; Wang Shengtie, vice governor of Hubei Province; Jia Fukun, commander of the provincial military district; and Xu Shiqiao, political commissar of the provincial military district; attended and addressed the meeting.

The meeting stressed: Flood control and dealing with emergencies is a matter of great importance to Hubei, and we should never slacken it. We must guarantee that Army units will play a key role at critical moments. Leaders at all levels should be resolved to take strong measures and to train themselves on firm targets, and just like fulfilling combat tasks, they should make full preparations for the work, organize it well, and be able to fulfill the task of dealing with emergencies under the most complicated and difficult conditions. It is necessary to constantly enhance Army units' flood-control awareness and to set firmly in their minds the need to prevent and fight against huge floods and deal with major emergencies. It is necessary to firmly implement the party's and the state's flood-control policies and to clearly define the tasks of Army units for flood control and dealing with emergencies. It is necessary to do well all preparatory work for flood control and dealing with emergencies according to the standard of combat operations. It is necessary to proceed from the overall situation, to work in close coordination, and to bring into play the principal role of Army units and militias in flood control and dealing with emergencies.

In their speeches, leading comrades of the provincial government fully affirmed the inspirational, stabilizing, rapid-reaction, and exemplary roles played by various Army units over the years in flood control and anti-disaster combat. They also set a demand on party committees and governments at all levels: We must, as in the years of war, support the Army and take good

care of them, and we must help Army units responsible for flood control solve their problems and dispel their worries.

After the meeting, leaders of various units inspected areas where their respective units are undertaking flood-control tasks.



## General

### Rules on Development Zone Management Promulgated

OW0706123495 Beijing XINHUA in English  
1134 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — A regulation on the planning and management of development zones has been promulgated by the Ministry of Construction recently.

Under the regulation, plans for the construction of various types of development zones must be included in overall construction plans of cities and that the zones must be subject to unified planning and management.

Moreover, plans for the construction of such zones should be formulated in accordance with China's City Planning Law.

The regulation, signed by the Construction Minister Hou Jie, will come into force on July 1, 1995.

According to an official of the ministry, economic and technological development zones, which began to be built in 1984, have been playing a significant role in bringing in foreign funds, managerial expertise and technology, expanding an export-oriented economy, and promoting economic and social development in cities.

Over the past decade 6,747 foreign-funded companies have been set up in 16 national economic and technological development zones, involving 4.6 billion dollars in overseas investment.

But from 1992 a "development zone fever" occurred in some localities, the official said.

Preliminary statistics show that China now has about several thousand development zones of various kinds, covering a total of 6,000 sq km. There are just 122 national development zones throughout the country.

The zones are more than necessary in both scale and number, the official said. Some localities did not make feasibility studies for the establishment of such zones, thus causing unnecessary losses.

In 1993 some 1,000 zones that did not meet government requirements were canceled.

Experts agreed that development zones are a component of a city, so it is necessary to improve planning for them and improve their management.

### Statistics Bureau Says Industrial Growth Slowing

OW0806100295 Beijing XINHUA in English  
0943 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — China's industrial output value registered a year-on-year growth of 13.1 percent in May, 2.3 percentage points down from that in April, the State Statistics Bureau said today.

The industrial output value reached 158.6 billion yuan last month, the bureau revealed.

Cumulative figures show that the nation's industrial output value totaled 698.1 billion yuan in the first five months of this year, up 14 percent from the same period of the previous year.

Analysts here attribute the slowdown in industrial production mainly to the state's macro-economic control policy that aims at cooling down the double-digit economic growth of the past three years.

The official target of this year's economic growth is set at eight to nine percent, compared to 11.8 percent in 1994.

In addition, China has begun a five-day working week system since May 1. The reduction in working hours has also partly affected industrial growth, analysts say.

The bureau said that the state-owned industrial sector grew by 8.8 percent last month, while the collectively-owned industrial sector expanded by 14.2 percent, and the private and foreign-funded industrial sector grew by 18.7 percent.

Meanwhile, the rate of sales to output stood at 94.46 percent last month, a year-on-year increase of 1.35 percentage points.

The bureau warned that the rising amount of debt is still a serious problem for industrial firms. By the end of April the gross amount of payments in default by the nation's 370,000 industrial firms totaled 708.6 billion yuan, up more than 70 billion yuan from the beginning of this year.

### Official Urges Better Management of CD Industry

OW0806034295 Beijing XINHUA in English  
0233 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — A senior Chinese official has called for enhancing the management and regulation of the compact disc (CD) industry, the "Press and Publishing Journal" reported today.

Managers in the industry should reinforce the management of this sector, said Yu Youxian, head of the Press and Publications Administration, at a meeting with directors of 31 CD firms nationwide.

CDs are high-tech commodities that can not be regulated merely by market forces, Yu said.

He said that China has been making great efforts to combat CD piracy in recent years and a framework is being formed for the country's first CD reproduction law.

"Pirated products have been widely seized, rampant piracy has been curbed, and violation cases have been dealt with," he said.

The country launched a crackdown on CD piracy early this year, Yu said, adding that all the reproduction firms have been re-registered. Without such registration they can not get approval to operate.

China last year confiscated a total of 2.2 million pirated CDs.

The firms should formulate their own plans to strengthen the protection of intellectual property rights and establish a supervision and inspection system, the official added.

#### **Fast Growth in Computer Sector Predicted for 1995**

*OW0806022395 Beijing XINHUA in English  
0203 GMT 8 Jun 95*

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — China's booming computer industry will generate an output value worth 50 billion yuan (4.82 billion U.S. dollars) this year, an increase of 70 percent over the 1994 figure.

The China Electronics News says that a burgeoning computer industry in China has an increasing capacity to produce personal computers and related items. There are more than one million personal computers used in China, statistics show.

The paper noted that the sector has had an average growth rate of 77 percent over the past few years, while the export volume this year may surpass 3.6 billion U.S. dollars.

Nationwide promotion of the information industry and restructuring drive in traditional industries have provided more opportunities for the country's fledgling computer businesses, as well as for their more prominent overseas rivals, experts here said.

Experts say that foreign investment in the country's computer industry will maintain a rising trend for at least ten years, so that the number of local employees

will continue to grow, and the domestic computer business will probably face a shortage of talent as a result.

#### **Foreign Experts' Role in Economic Construction**

*OW0706140195 Beijing XINHUA Domestic Service  
in Chinese 0734 GMT 31 May 95*

[By reporter Han Zhenjun (7281 2182 6511)]

[FBIS Translated Text] Beijing, 31 May (XINHUA) — Since China began to hire experts from abroad, the nation has hired approximately 420,000 in all categories; and these experts have contributed to many areas of China's economic construction. Hiring experts from abroad has become an important part of China's opening up endeavor.

China began to hire foreign experts in 1983. According to an official of the State Foreign Experts Bureau, many parts of the country have established organs to take charge of hiring foreign experts, and these organs have established long-term relations with foreign government or nongovernment organizations. These organs, which form a relatively complete system for hiring foreign experts, have explored many ways to hire from abroad. Experience has proved that borrowing and assimilating other countries' achievements for self-development is a time-efficient way that yields quick and significant results.

The technique of cultivating rice in dry plots and thin planting has been extended in large areas across the country since its introduction in the early 1980's, and the technique has yielded enormous economic results. In 1994 alone, the technique was extended to 3.01 million hectares in the country, and it increased rice output by 2.3 billion kilograms and increased incomes in excess of 2 billion yuan.

Surrounding economic construction, China has hired large numbers of foreign economic and management experts to come assist the nation's major construction projects. The construction of the Shanghai Nanpu and Yangpu Bridges, the Beijing Airport Expressway, the Beijing Westside Passenger Terminal, and the Dayawan Nuclear Power Plant all involved foreign experts. Foreign experts have also resurrected certain dying business. After hiring Chel, one of the 10 top piano producers in the world, the once collapsing Beijing Piano Plant can no longer produce enough pianos to satisfy demand.

Each year, in addition to hiring economic and management experts, more than 10,000 foreign experts work in publishing, health, education, and scientific research departments. Over the past decade or so, these experts

have trained 150,000 middle-aged and young teachers and taught more than 500,000 college undergraduates. Working alone or with Chinese professors, these experts have trained more than 100,000 graduate students, over 10,000 doctorate students, and large numbers of linguists. Moreover, they have helped China establish and improve 500 branches of learning and special courses, and built more than 400 new laboratories.

#### **Major Rivers, Tributaries Flood Situation 'Stable'**

OW0806033595 Beijing XINHUA in English  
0224 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — The flood situation of China's Chang Jiang and six other major rivers, as well as their main tributaries, is generally stable, a spokesman for the State Flood Control and Drought Relief Headquarters said today.

He stressed that flood problems have arisen only in a few areas, "while the general situation is calm".

Starting in late May, heavy rain has lashed Hunan, Hubei, Jiangxi, Anhui and Sichuan, causing water flows in some tributaries of the Chang Jiang to rise above their alarm levels, but little damage has been done so far.

He said that the worst problem occurred when flood waters entered a couple of towns in Hunan Province, adding that the flooding has now been curbed.

He said that all provinces and autonomous regions are prepared for floods, and "are ready to keep floods at bay whenever they arise".

#### **\*Vice Minister Views Highway, Shipping Investment**

95CE0409A Beijing GUANLI SHIJIE  
[MANAGEMENT WORLD] in Chinese 24 Mar 95  
No 2 pp 8-11

[Article by Vice Minister of Communications Liu E (0491 6948); edited by Wang Bing (3769 0365): "Development and Investment Policies for China's Highway and Shipping Infrastructures"]

[FBIS Translated Text] Communications and transportation are the foundation of our national economy. Since the founding of the PRC, China's highway and shipping enterprises have been developed quicker. Particularly in our 15 years of reform and opening, our highway and shipping development has seen its best historical period, making enormous progress. But as the Chinese economy grows rapidly, with further reform and opening and the establishment of socialist market economy forces, since communications and transportation remain a glaring weak link and the key limiting factor in the growth of our national economy, economic growth will

mean placing priority emphasis on development of communications and transportation.

#### **I. China's Highway and Shipping Development Status Quo**

Through 45 years of development, particularly the last decade-plus, China has entered an age of comprehensive development of diverse means of transportation, with our highway and shipping having reached a certain scale, as well as playing an ever more crucial role in our national economic growth. At present, China's highway and shipping passenger and freight turnover account for about 50 percent each [as published], holding a crucial status in our overall transportation network.

1. With regard to highway traffic, China's main highways have begun to form a network, with passenger and freight traffic conditions sharply improved. By the end of 1993, there were 1.08 million km of highway in service throughout China, including 8,528 km of high-quality roads with exclusive automobile-highway standards above the secondary level. In particular, our expressways that represent modern highways have topped 1,000 km (not including those in the Taiwan, Hong Kong, and Macao regions), to reach 1,145 km. All Chinese counties and cities, 97 percent of our townships, and 78 percent of our administrative villages are connected by road. We have built modern bridges, and now have 180,000 of all types, with our traffic growing rapidly, and our civilian motor vehicles topping 8 million.

2. With regard to shipping, China's coastal port scene is sharply improved, with over 340 deepwater berths able to dock 10,000-ton-plus class ships. We have 110,000 km of inland waterways, including over 5,800 km navigable by 1,000-ton class ships, and 11,000 km navigable by 350-ton class ships. We have nearly 400,000 civilian ships, with deadweight tonnage topping 40 million tons. China now has an impressive international maritime shipping fleet, with deadweight tonnage topping 20 million tons, ranking ninth in the world, as well as over 10 third-generation all-containerized ships with modern equipment.

3. With regard to reform, we have made overcoming the old system's flaw of high centralization our breakthrough point, breaking out of the confinement of a single ownership system and the closed state of our communications sector monopolizing public transportation, introduced diversified economic components, and allowed and encouraged all trades and professions to take part in our communications and transportation operations. We have reformed our transport management form, acting in line with the principle of macroeconomic



control and microeconomic invigoration to gradually reduce the scope and ratio of planned transport and relying more on market regulation. We have developed diversified fund-raising means in an effort to stimulate our transport enterprises, making quite good progress and creating favorable terms for enterprises to convert their operating forces.

4. With regard to opening up to the outside world, we have proceeded from the need to self-develop and better adapt to social and economic development needs, steadily broadening our open communications and transportation fields. By the end of 1993, China had 107 shipping ports open to the outside world, and 35 major highway ports open to surrounding countries (not including small local ports), and had signed shipping agreements with 43 countries and intergovernmental motor vehicle traffic agreements with eight countries. Since the beginning of the 1980s, we have used loans from the World Bank, the Asian Development Bank, and the Japanese United Effort Foundation to build a group of docks in coastal ports such as Qinhuangdao, Tianjin, Rizhao, Lianyungang, Qingdao, Shanghai, and Guangzhou, for a new handling capacity of 43 million tons, as well as to build 7,000 km of highways in 23 provinces, municipalities, and autonomous regions, advancing our infrastructure construction.

## II. The Key Existing Problems in Our Highway and Shipping Establishment

Guided by the overall principle of intensified reform and expanded opening, while our communications and transportation have achieved great production and construction successes, they remain quite backward in contrast to developed nations, are still a glaring weak link in our national economy, and lag severely behind our national economic and social development needs. The key problems that now exist in our communications and transportation are a severely inadequate communications infrastructure, with outdated technology and equipment; backward management methods; and a quite glaring conflict between our transportation capacity and transport needs. They could be summed as "three shortfalls:"

1) Our public infrastructure construction falls short of our motor vehicle and ship transport growth; 2) our motor vehicle and ship transport growth fall short of our passenger and freight transport demand growth; and 3) our transport volume growth falls short of our national economic growth rate. This can be seen mainly as:

1. China has too few highways, with our highway density only one-fifth that of India and one-seventh that of the U.S., particularly main highways, where traffic volume is more than double traffic capacity. Our existing highways are low-grade, with poor road conditions,

a quite high substandard rate, and no high-grade east-west or north-south highways. As our economy grows rapidly, our highway conditions are ever worsening, leaving us unable to resist natural disasters. Our highway service facilities are incomplete, single function, and unable to play a pivotal role in passenger and freight distribution.

2. Our key coastal port capacity is severely inadequate. In large coastal ports such as Dalian, Qinhuangdao, Tianjin, Qingdao, Lianyungang, Shanghai, Guangzhou, and Zhanjiang, the real handling volume exceeds handling capacity by over 20 percent, for long-standing severely overloaded operations. Our specialized berth capacity for coal, grain, and containers is particularly severely inadequate.

3. The backward state of our inland shipping has never been essentially improved and is still in a difficult state. Only 11 percent of our inland waterways are navigable by 300-ton-plus class ships, and only 5 percent by 1,000-ton-plus class ships, most of which are concentrated on the main course of the Chang Jiang. Moreover, there is no through traffic from main to branch lines, leaving our water system unlinked, and our shipping without a network, which results in too many intermediate-transfer links, high costs, and problems in bringing the advantages of our inland waterways into full play.

4. Our communications and transportation management methods are outdated, with obsolete equipment, inadequate quantity, and too many gaps. They are far from adequate for our transportation production, development, and construction needs. Our waterway safety oversight and navigation lack modern means, with outdated communications equipment, and no efficient communications network formed, making it hard to fully utilize our shipping capacity.

5. Our ocean shipping fleet and coastal ships are ageing, with our inland ships in severe disrepair. Our highway traffic enterprise operations have too few and outdated vehicles, and container trucks particularly still in a test stage, far from meeting our transport production needs.

## III. Highway and Shipping Development Plans for the Year 2000

With the Ninth Five-Year Plan spanning the century, China is now in a crucial period of realizing our second strategic objective, with our socioeconomic situation and communications and transportation development state being generally one of brisk transport demand. With our staple industrial and agricultural product output rising sharply in the Ninth Five-Year Plan,

due to historically formed highway and shipping capability shortages and new growth demand, our shipping volume growth rate will remain high, with power, raw materials, and foreign trade commodity shipping volume remaining high. As being dependent on a single form of transport would make it impossible to meet growth needs, we need to put our shipping and highway facilities to best use, developing them in an overall and coordinated way. As a socialist market economy is gradually established, with further opening up to the outside world and implementation of the principle of making full use of both international and domestic resources and markets, we will implement a strategic plan to promote development along the Chang Jiang headed by Pudong, adjust the national industrial structure, develop regional economies, convert the agricultural structure, transfer the surplus agricultural workforce in an orderly way, expand our urban-rural scale and increasing its functions, and pull poverty-stricken people out of poverty, so that the living standard throughout China will be comfortably well-off. These will all cause China's foreign trade to grow further, adding to our transprovincial, transmunicipal, transregional, inter-city, urban-rural, and inter-enterprise commodity flow and personnel contacts, and increasing our passenger and freight transport and port handling volume, thus placing higher demands on rapid, timely, convenient, and door-to-door transport.

Based on the national economy averaging annual growth of 8-9 percent in the 1990s, it is predicted that by the year 2000, China's highway passenger volume will top 18 billion, up 133 percent from 1990, for growth of 10.8 percent a year; highway tourist volume will reach 810 billion passenger-km, up 209 percent from 1990, for growth of 11.9 percent a year; highway freight volume will reach 17 billion tons, up 135 percent from 1990, for growth of 8.9 percent a year; highway commodity turnover will reach 940 billion ton-km, up 180 percent from 1990, for annual growth of 10.8 percent; shipping passenger volume will reach 360 million passengers, up 32 percent from 1990, for annual growth of 2.8 percent; shipping tourist turnover will reach 25 billion passenger-km, up 51 percent from 1990 for annual growth of 4.2 percent; shipping freight volume will reach 1.55 billion tons, up 94 percent from 1990, for annual growth of 6.8 percent; shipping commodity turnover will reach 2.5 trillion ton-km, up 116 percent from 1990, for annual growth of 8 percent; and coastal port handling volume will top 1.1 billion tons, up 127 percent from 1990, for growth of 8.6 percent a year.

To meet national economic and social development needs, starting with the Eighth Five-Year Plan, we are prepared to spend about three decades completing the "three major, one support" highway and shipping con-

struction program, or the program of a major highway framework, a major waterway thoroughfare, and a major port service hub, with the support of a security system.

The major highway framework is a framework of "five north-south and seven east-west," for priority construction of 12 national major lines composed of about 35,000 km of expressways; the major waterway thoroughfare refers to the construction of a maritime north-south thoroughfare linking up eastern coastal economically-developed zones and an inland channel in the Chang Jiang, Zhu Jiang, Heilong Jiang, Huai He, and Beijing-Hangzhou Canal of about 30,000 km navigable by 1,000-ton ships, to form a large shipping artery for through traffic from main to branch lines, river-sea access, and joint water-land transport; the major port service hub refers to the priority construction of 64 passenger and freight distribution centers connecting the major highway framework, the major waterway thoroughfare, and other means of transportation, to form a transfer and transshipment system with complete facilities; the communications support security system refers to, in the interests of ensuring shipping and highway free movement, safety, and efficiency, the related construction of security oversight, communications guidance, relief and salvage, security and fire control, and information service systems, as well as the corresponding development of communications indoctrination to reinforce S&T development.

Development plans for the year 2000 are mainly as follows:

**Highways:** Highways will reach 1.25 million km, quadrupling from 1990 high-quality highway mileage for exclusive automobile traffic above the secondary level; we will place priority on building "two north-south and two east-west roads" and three key sections of the "five north-south and seven east-west" national main highway system (the two north-south roads are Tongjiang to Sanya and Beijing to Zhuhai; the two east-west roads are Lianyungang to Huoerguosi and Shanghai to Chengdu; the three key sections are Beijing to Shenyang, Beijing to Shanghai, and Chengdu to Shanghai). That will essentially link the four main lines running through China's major economic zones along the coast, the Chang Jiang, the Long Hai, and the Beijing-Guangdong lines with high-quality highways.

**Coastal ports:** The number of berths above the medium production level will reach 1,100, including about 650 deepwater berths, with priority construction of shipping systems such as coal, container, and bulk cargo bringing into basic balance key cargo capabilities of "loading—unloading—shipping."

Inland shipping: Priorities are the Chang Jiang, Zhu Jiang, and Beijing-Hangzhou Canal, where we will mainly raise channel grade criteria and expand, upgrade, and build more berths; improve channel navigation conditions; and increasing handling capacity.

We will correspondingly develop the support security system. We will adjust the existing fleet structure and speed up construction of container, motor vehicle rolling-load shipping, bulk cement, and new passenger ships. We will adjust the vehicle structure, placing priority on development of high- and medium-grade passenger buses and large exclusive-use diesel freight trucks.

The achievement of these goals will clearly alleviate communications and transportation shortages, as well as pave the way for early 21st century development.

#### IV. Policies and Steps for Accelerating Highway and Shipping Development

1. We will earnestly implement the policy of "overall planning, with rational distribution, priority emphasis, doing everything in our power, and acting in line with our capabilities, for an emphasis on efficiency." As the building of communications infrastructures is a systematic transregional and cross-sectoral project, to ensure that the communications establishment has a rational distribution and optimized disposition, we will need to draw up a development plan for communications and transportation, guide the overall order, and develop in a positive and orderly way.

2. We will fully mobilize all possible initiative, continuing to adhere to the principle of the investor reaping the rewards, encourage the diverse development of communications infrastructures premised on centralized planning, and pay particular attention to bringing both central and local initiative into full play for joint development of highways, ports, and inland waterways.

3. The state will pursue a preferential policy for communications infrastructure construction. The collection, with state approval during the Seventh Five-Year Plan, of vehicle purchase surcharges and port construction fees has played an enormous role in raising communications construction funds and speeding up communications infrastructure construction. In addition, with approval, we will allow the major investors in communications infrastructure construction to have priority in acquiring real estate development and operation rights along communications lines and in the vicinity of ports, with multipurpose economic compensation. With regard to infrastructures, we will continue to requisition low-price land, with the government using the income from sales of land resources for infrastructure construction.

4. We will further encourage the use of foreign investment to build highway and shipping infrastructures. To speed up communications construction, in addition to continuing to strive to raise domestic construction funds through diverse means, we will also expand use of foreign investment channels to make up domestic funding shortages. Since reform and opening, China's highway and shipping construction has used nearly \$2.3 billion in World Bank and Asian Development Bank loans, as well as 290 billion yen in Japanese Overseas United Effort Fund loans. In the future, loans from international financial organizations and the Japanese Overseas United Effort Fund will continue to be a key source of the foreign investment we use to build communications infrastructures. Meanwhile, we will further expand channels through which we attract foreign investment, pursuing a more open policy toward all forms of attracting it. We will encourage Sino-foreign joint ventures to build and operate public port berths and allow Sino-foreign joint ventures to lease worn-out berths for handling services. Premised on centralized planning and centralized management by the responsible communications departments of port and navigation administrations, when foreign firms invest in the development and operation of tracts of land, the developing enterprises can build and operate exclusive-use port zones and docks within their tract limits, including public berths for passenger and freight service within development zones. And we will encourage Sino-foreign joint ventures or wholly foreign-owned firms to build highways, bridges, and tunnels, etc.

#### \*Vice Minister Views Railway Development, Plans

95CE0409B Beijing GUANLI SHIJIE  
[MANAGEMENT WORLD] in Chinese 23 Mar 95  
No 2, pp 5-7

[Article by Vice Minister of Railways Sun Yongfu (1327 3057 4395): "China's Railroad Reform and Development Strategy"]

#### [FBIS Translated Text] I. China's Significant Railroad Achievements Since Reform and Opening

China's railroads are crucial state infrastructures, a large artery for our national economy that plays an important security and promotion role in our national economic and social development. In modern communications and transportation, more than one-half of the passenger and freight turnover goes by rail. In particular, most long-distance staple goods freight and medium and long-distance passenger transport goes by rail. This strategic status of railroads is determined by China's natural resource distribution and socioeconomic conditions.



Since reform and opening, with vigorous state support, China's railway construction and transport have achieved enormous successes. In the 15 years from 1978 through 1993, we raised railway operation mileage from 48,600 km to 53,800 km, multiple tracks from 7,630 km to 14,315 km, electrified mileage from 1,030 km to 8,934 km, certified locomotives from 9,850 to 14,397, certified passenger cars from 14,840 to 29,395, and certified freight cars from 250,000 to 390,000. We raised rail passenger volume from 807 million to 1.045 billion passengers, freight volume from 1.075 billion to 1.567 billion tons, and conversion turnover from 640 billion to 1.5539 trillion conversion ton-km.

By 1993, China's rail transport density per operating km had reached 28.88 million conversion ton-km, ranking first in the world.

## II. China's Railroads Are in a New Historical Era of Large-Scale Development

While China's railroads have grown sharply, they are still very unsuited to our national economic development needs. Since reform and opening, our national economic demand for rail transport has maintained a powerful growth momentum. From now to the end of the century, as our national economy grows steadily, soundly, and stably, the demand for rail transport will grow brisker. This is due to:

1. As China is a continental country with a vast territory, that means that its communications and transportation are mostly overland. And the uneven state of China's resource distribution and industrial layout mean that long-distance goods are transported mainly by rail.
2. As China is in the initial stage of industrialization, with resource-intensive, rough-manufactured goods dominant, and the goods transport of staple, low-value, and bulk raw materials and primary products continuing to grow, demands placed on rail transport will also grow steadily.
3. China is a populous country, where population mobility is increasing rapidly in the course of establishing our new socialist market economy. With our per capita consumption level not high, medium- and long-distance passengers will continue to choose mainly rail transport.
4. With the Chinese national economy growing steadily at an average rate of 8-9 percent a year in the 1990s, rail transport as a national economic infrastructure will be bound to maintain a corresponding growth rate.
5. China's rail transport capacity is now very crowded, with the shortage being particularly glaring in southern, eastern, and southwestern China. We can meet only 60 percent of national railway car plans and only 40 percent

at bottlenecks. And passenger transport is also very tight, especially during holidays, when the crowding is horrendous.

These fundamental national conditions mean that in the short-term, China's railroads will need to grow on an historically large scale. The "Government Work Report" passed by the First Session of the Eighth NPC in March 1993 and the "National Industrial Policy Program for the 1990's" recently promulgated by the Chinese Government, both conspicuously emphasized the need to speed up our infrastructure and basic industrial development, clearly setting forth the principle that the communications and transportation industry must focus on adding rail transport capacity and developing a large transport thoroughfare and take a series of policy steps such as setting up a railway construction fund and raising funds in diverse ways for railway construction in active support of accelerated railroad development.

To meet national economic development needs, China's Ministry of Railways has set forth the guiding ideology of "short-term plans to ease and adapt, with long-range plans for a moderate lead, pioneering new development paths, and doing a good job of advance planning."

In line with this guiding ideology, during the Eighth Five-Year Plan (1991-95), we planned to build 6,600 km of new track, 4,100 km of multiple track, and 5,600 km of electrified track so that by the end of 1995, the rail network scale will reach about 60,000 km, with multiple and electrified tracks making up respectively about 30 and 23 percent. To accomplish this, we are now focusing our human, material, and financial resources on building priority projects such as the Beijing-Kowloon line, the Baoji-Zhongwei line, the Houma-Yueshan line, the Nanning-Kunming line, the Lanzhou-Xinjiang multiple track, the Zhejiang-Jiangxi multiple track, and the Beijing West passenger terminal. All of these projects are now proceeding rapidly. The 2,377-km (including 2,535 km of contact track) Beijing-Kowloon (Beijing-Shenzhen) line is in a stage of all-out track-laying; the 1,622-km Lanzhou-Xinjiang (Wuwei-Urumqi) line completely laid and in operation in just two years by 16 September 1994; the Baoji-Zhongwei line is also laid and in operation; the Houma-Yueshan line is to be laid and in operation by November [1995]; and the Nanning-Kunming project has already made a crucial breakthrough. From 1991 through 1993, we laid 2,813 km of new track and 2,111 km of multiple tracks, while electrifying 1,925 km. In 1993 alone, we laid 1,218 km of new track and 1,281 km of multiple tracks, and electrified 181 km, for a total of more than 2,680 km, setting a new record in Chinese rail construction history. In 1994, we are estimated to have built nearly

3,500 km of new track and multiple tracks, setting another new historic record.

On this base, we are now studying and drawing up our railway development program for the Ninth Five-year Plan (1996-2000). Our tentative plans for the it are to focus our resources on building several high-function and high-transport-capacity main lines, striving by the end of the century to ensure that China's rail network grows further in size, with a further increase in multiple tracks and electrification and improved line and service quality. Meanwhile, we are actively engaged in the feasibility studies for a high-speed rail line between Beijing and Shanghai. h3)III. Further Intensified Reform and Expanded Opening

China's railroad development is closely interrelated with the reform and opening of China's railroads, with faster development being the goal, while reform and opening is the impetus.

Since the Third Plenary Session of the 11th CPC Central Committee, China's railroads have been in the process of converting from a planned to a market economy in line with the needs of China's economic reform, having carried out a series of reforms such as instituting an input-output economic responsibility system for the whole railway industry, streamlining administration and devolving authority to lower levels, organizing collective pilot programs, reforming financial settlement, developing joint-venture railroads, using more foreign investment, and developing a diversified economy. They have begun to break free from the traditional planned management model of wholly state-invested construction and a centralized management monopoly, and are starting to evolve new forces combining efficiency with vitality and accumulation with development, to vigorously accelerate the growth of our rail transport productive forces.

China is now speeding up the establishment of our new socialist market economy, with the essential framework for a market economy already in operation, and the impact of the market on the distribution of resources growing rapidly. Railroads as a key material production sector and a key means of transport for commodity circulation cannot be left out of our development of a socialist market economy. To achieve the grand goal of the large-scale development, China's railroads are now acting in line with the demands of the 14th CPC Congress and the Third Plenary Session of the 14th CPC Central Committee in steadily intensifying essentially market-oriented economic reform.

Under state macroeconomic regulation and control, the overall aim of intensified reform of China's railroads is to bring the fundamental role of the market into full

play in the disposition of resources such as rail transport capacity, establish a railroad management system and operating forces suited to a socialist market economy; speed up railway construction, increase transport capacity, improve operation and management, and raise economic efficiency to better serve China's national economic and social development.

China's railroads are a national infrastructure, a socialist public cause, as well as a diversified enterprise group. China's railroad industry status quo of basic property and transport capacity shortages has made it harder to convert railroads from the old to the new system. While extensively studying and drawing on the advanced experience of overseas railroad reform, we need also to act in line with China's railroad realities, using the methods and steps of overall planning, coordinated implementation, experiments combined with dissemination, and orderly progress, to persistently combine the specific characteristics of railroad reform with the general needs of national reform, to deal correctly with the relations of the public welfare to enterprise individuality and of centralized transport direction to autonomous enterprise operations, and to strive to carry out a series of reforms in areas such as management systems, organizational structure, enterprise systems, transport price forces, and mode of operation in an active exploration of specific ways and effective means of making railroads more market oriented.

With China's market-oriented railroad reform in the initial stage, we now need to make breakthroughs in the following areas:

—We need to proceed actively with the conversion of enterprise operating forces and do a good job of pilot programs in upgrading to a corporate system. We need to expand the operating autonomy of our railroad enterprises and convert government functions for stronger macroeconomic regulation and control. Railway transport enterprises need to actively explore diversified forms of enterprise organization, such as regional and specialized rail transport companies, and act in line with the needs for distinct property rights, clear rights and duties, the separation of government administration from business management, and management science to carry out pilot programs in upgrading to a corporate system, which should be gradually disseminated once experience is accumulated. Railroad enterprises such as industrial, construction, and commodity supply and marketing should emphasize experiments in the authorized operation of state assets and reorganize qualified head offices into holding companies.

—We need to explore actively and proceed with making railroads more market-oriented. On the premise of

ensuring state directive plans and designated commodity transport, we need to carry out a few experiments in making transport capability more market-oriented. In line with market economy needs, we need to reform the planned management form for freight transport by integrating directive and guidance planning with market regulation. We need to develop transport commerce actively; vigorously develop freight transport containerization, refrigeration, and bulk shipping; and raise the speed and service quality of passenger trains. We need to organize specialized companies suited to market economy development, such as container transport companies, large special freight transport companies, and tourism company groups.

—We need to proceed actively with rail transport price reform and gradually improve transport price formation mechanisms. In the long term, through railroad transport price reform, we need to set up a graded management system for transport prices under state macroeconomic regulation and control, a mechanism which reflects the relations of value to supply and demand, and a transport price system with rational price relations to other modes of transport. And we need to continue to strive to pave the way for implementation and expansion of diversified forms of railway transport prices such as new prices for new lines, regional transport prices, higher prices for better quality, and floating transport prices during holidays.

—We need to expand the diversified economy sharply. We need to make it more standardized, industrialized, group-oriented, and internationalized to raise overall railroad efficiency.

In the course of intensified reform, and under state macroeconomic policy guidance, China's railroads need to take a more positive approach to further opening up new railroad fields to the outside world by intensifying international economic cooperation and technical exchanges. We are now emphasizing the formulation of policies and legislation to attract foreign investment to railroad construction and operation and striving to improve our foreign investment climate by reinforcing legislative safeguards. While continuing to use more overseas loans, we are preparing to adopt forms of foreign firms and Hong Kong, Macao, and Taiwan compatriots, such as joint and contractual joint ventures, to attract direct overseas and outside investment to the building and operation of railroads, while also actively exploring ways to issue stocks and bonds on the international money market.

**\*Researcher Views Development, Future of Markets**  
95CE0387A Beijing ZHONGGUO GAIGE [CHINA REFORM] in Chinese 13 Mar 95 No 3, pp 19-21

[Article by Liu Tong (0491 6639), Department of Circulation, State Commission for Restructuring the Economic System: "Market Analysis for 1994, Market Forecasting for 1995"]

[FBIS Translated Text] **Market Operation in 1994**

### **I. Market of Consumer Goods**

China's consumer market in 1994 had an ample supply of goods, and both buying and selling were brisk. The total amount of retail sales of consumer goods went up rapidly with market prices rising fast. In general there were six major characteristics as follows:

The market of consumer goods became more brisk in each passing season and grew steadily with a high inflation rate. The total volume of retail sales in the country from January to December reached 1.60525 trillion yuan, an increase of 31.2 percent over the same period in 1993, or about 7 percent when adjusted for inflation. Within this figure, the first quarter growth was 25.2 percent; the second quarter, 26 percent; the third quarter, 33.5 percent; and the last quarter, 38.2 percent. Market sales during the first half of the year remained steady, and they became brisk during the second half of the year. There was a situation in which sales were brisk during the slack season, while business was even more vigorous in the busy season. Rural markets began to become active. The total volume of retail sales of consumer goods at and below county-level from January to December amounted to 649.76 billion yuan, an increase of 28.4 percent over the same period in the previous year. The gap between sales on urban and those on rural markets dropped from 11.7 percent in 1993 to 4.6 percent in 1994. There appeared the first trend since the mid-80's in which the urban market grew in step with the rural one.

Relatively major changes have taken place in market shares held by various economic sectors. In the total volume of retail sales of consumer goods between January and December 1994, the share held by the state-owned sector dropped to 33.7 percent; that of collective economic sector amounted to 20.8 percent; and that of other economic sectors reached 45.5 percent.

Market demand was brisk, and the structure of consumer demands became multifaceted. The overall living standards of urban and rural residents steadily rose. With foodstuffs steadily becoming marketable, the sales of clothes continued to increase. Urban and rural residents



and farmers paid more for their clothes, and the clothing market flourished. Residents loved to buy clothes of higher quality, and the structure of consumer demands became varied. Consumers paid more attention to famous brands and better quality. The supply of home appliances of famous brands fell short of demand. Very few consumers or even nobody wanted to buy consumer goods of ordinary brands. A brand-new, multifaceted structure of consumer demands prevailed.

Urban and rural trade fairs continued to gain popularity in the country. Trade fair volume of business grew on a large scale. Trade fair turnover in the whole country during the third quarter reached 214.5 billion yuan, an increase of 65.84 percent over the same period in 1993. Of this amount, turnover in urban areas reached 111.2 billion yuan, an increase of 73.58 percent, and that in rural areas reached 103.3 billion yuan, a growth of 58.24 percent over the same period in 1993. As compared with 1993, the volume of business for 15 major types of commodities registered large increases, with industrial products showing the largest growth.

Consumer spending increased, and demand for consumer goods steadily grew. Since the beginning of 1993, the per-capita income of urban and rural residents has increased due to wage reforms in various government institutions, undertakings, and units. The state also greatly increased purchase prices of grain, cotton, and other farm and sideline products. As a result, peasants have relatively greater purchasing power. The portion of urban resident income used for living expenses went up approximately 7.8 percent and that of their rural counterpart about 5 percent if price increases were deducted.

Consumer spending grew in step with savings deposits on a large scale. The total amount of savings continue to increase on a large scale. Savings deposits scored large gains in both urban and rural areas. By the end of 1994, the value of savings deposits totalled 2.15188 trillion yuan, an increase of 41.5 percent, or 631.53 billion yuan compared with the same period in 1993. This represented an average growth of 52.63 billion yuan or 24.22 billion yuan per month for the entire year, or an average increase of 24.22 billion yuan over the monthly growth in 1993. However, a portion of the savings deposits were not actual savings of the residents. According to a sampling survey conducted over 6,248 savings agencies and 2.3 million savings accounts, 10 percent of the newly added savings deposits were from public institutions while 23 percent of them were circulation funds from self-employed industrial and commercial units.

Some major problems remained in the market for consumer goods in 1994. There were two basic ones as follows:

**1. Structural contradictions in the commodity mix remained prominent.** In general, there were plenty of supplies on the market, and the total supply of commodities was always increasing. According to a survey conducted by the Ministry of Internal Trade of the situation in the supply and demand of 634 categories of major commodities during the second half of 1994, 84.1 percent of such commodities maintained a balance between supply and demand or supply exceeded demand. The supply of only 15.9 percent of such commodities fell short of demand. The supply and demand of consumer goods were basically in balance, or the supply exceeded demand. However, the supply of grain, cotton, edible oil, pork, sugar, and other farm and sideline products was somewhat tight. The supply of such farm and sideline products fell short of demand in some districts, while a system of rationing was restored in others. The main reason for this was the slower progress in agricultural production and higher rate of resident consumption. In light of this situation, the state adopted measures to strengthen the procurement of grain, cotton, and other farm and sideline products and to put the grain and cotton market in order.

**2. Market prices went up rapidly and stayed high.** Market prices in 1994 were relatively high, and inflationary pressure remained great. This has become the focus of the entire society. The characteristics were as follows:

A) Price increases were relatively higher. The general price index of commodities in January and February, 1994, rose by 19 percent and 20.9 percent respectively over the same period in 1993. The average annual retail prices of commodities and consumer prices rose by 21.7 percent and 24.1 percent respectively.

B) From the commodity classification point of view, what brought about inflation in general were mainly farm and sideline products with grain as the leading factor (grain, edible oil, meat, eggs, vegetables, and aquatic products) and service items, of which the price of grain went up 48.7 percent and prices in the service sector rose an average of 25.7 percent.

C) From the urban and rural price index point of view, price increases in rural areas were greater than those in urban areas. Rural retail prices increased by 25.8 percent, up 5 percent over urban retail price increases. The reasons for the inflation are multifaceted. In addition to the excessive growth of investment in fixed assets and consumer spending, the main reasons were the quickened pace in China's price reform and the

price adjustment of a structural nature which brought about cost-push inflation. In addition, some districts seized the opportunity to wilfully increase prices and collect exorbitant fees. All this aggravated inflation to a certain extent.

## II. Capital Goods Market

Since the second half of 1993, the Chinese capital goods market has remained stable with abundant supplies. The price of capital goods continued to decline. The characteristics of the market were as follows:

**1. The growth rate of the total sales volume of capital goods basically increased in step with the pace of economic development.** The national economy continued to maintain a relatively higher rate of growth in 1994. Demand for capital goods was also steadily increasing. There was an ample supply of capital goods. Circulation of such goods increased with a trend to develop a buyer's market. According to preliminary statistics, the total sales volume of capital goods in 1994 reached 2.298 trillion yuan (capital goods for agricultural production included), an increase of approximately 21.2 percent, or 12 percent in real terms over 1993 after adjusting for price rises. This price increase was basically in step with the growth rate of the gross domestic product in the corresponding period.

**2. The market share held by material supply and marketing enterprises dropped.** Following the development of the market economy after the beginning of 1994, the situation in monopolizing the supply of capital goods no longer existed. Capital goods were supplied by several economic sectors. Market competition became fierce, and the distribution of market share constantly changed. Sales volume of capital goods provided by supply and marketing enterprises declined, while production enterprises themselves sold more capital goods directly. According to preliminary statistics compiled, the total sales volume of capital goods of supply and marketing enterprises at and above the county level in the whole country in 1994 amounted to 1.3521 trillion yuan, a decrease of 11.2 percent over 1993. Of this amount, the total value of goods purchased was 651.1 billion yuan, down 12.3 percent, and the total value of goods sold was 701 billion yuan, down 10.1 percent. Supply and marketing enterprises sold 10.7 percent fewer capital goods to the production units in 1994, handled 26.4 percent fewer capital goods on the domestic market, and exported 1.4 times more capital goods to foreign countries in 1994 over 1993. The sales volume of capital goods during the first and second quarters of 1994 dropped 21.1 percent and 25.5 percent respectively, that in the third quarter declined 13.6 percent, and that in the last quarter returned to normal. Among the

eight major categories of capital goods, in 1994, only the sales volume of machinery and electrical equipment grew slightly over 1993. The sales volume of the capital goods of the remaining categories dropped more than 10 percent, of which the sales volume of lumber and construction materials dropped 31.3 percent and 12.5 percent respectively. From the geographical point of view, in 1994, the sales volume of capital goods in 29 provinces and autonomous regions and municipalities under the direct administration of the central government (with the exemption of Tibet) dropped in varying degrees as compared with 1993, with the exception of Beijing, Shanxi, Inner Mongolia, and other seven regions which witnessed a growth in 1994 over 1993. Sales volume in Tianjin, Jilin, Fujian, Liaoning, Shandong, Jiangxi and Xinjiang dropped more than 20 percent.

**3. The general price index for capital goods steadily declined.** The price for a few varieties rose because of short supply. The price of capital goods in China went steadily down in 1994. The general price index of capital goods for the whole year declined by 4 percent over 1993. However, the price of some varieties rose because of supply shortages under the influence of the world market. The price of copper rose sharply. Copper and aluminum are in particularly short of supply. The price of copper increased from 20,000 yuan per ton at the beginning of 1994 to 28,000 yuan per ton at the end of the year. The price of aluminum rose from 12,000 to 18,000 yuan per ton, which was the highest in history. The sales of capital goods for agricultural production were sluggish because of excessive price increases. According to a preliminary estimate, the sales volume of capital goods for agricultural production (chemical fertilizer, plastic sheeting, farm machinery and others) in 1994 amounted to 149.2 million yuan, an increase of only about 10 percent as compared with the previous year. This actually represented a decline of 8 percent over 1993, if the factor of inflation is taken into consideration.

## Market Forecast for 1995

China's national economy will continue to witness rapid growth in 1995. The state will continue to strictly control excessively high growth in investment and the money supply in circulation. However, investment will be maintained at a certain level. The demand for investment remains high in various localities. Investment will grow by more than 20 percent, and the demand for investment will go up steadily. The domestic market will continue to develop steadily in 1995, and it will maintain a general pattern of supply exceeding demand.

Inflation will ease, but the general price index will remain relatively high.

### 1. Consumer Goods Market

The market for consumer goods will remain brisk and active in 1995. Total retail sales of consumer goods is expected to reach approximately 1.95 trillion yuan, an increase of 23-25 percent, or a real growth of 8-9 percent if price increases are deducted. Influenced by high prices and irregularities in market transactions in 1994, it will be rather difficult to control the annual general price index for retail sales under 13 percent as set by the state plan. Nevertheless, it is possible to control it within the range of 13-15 percent. As for market supply and demand, there will be an ample supply of commodities on the market in general. The supply of industrial products for everyday use will exceed demand, while that of a few varieties may be tight. In general, the demand for farm and sideline products will exceed supply. According to statistics compiled by the Ministry of Agriculture, the area of farmland planted with winter crops in the country increased more than 27 million mu, a growth of 4.4 percent over the previous year. Within this figure, the area planted with grain, oil-bearing crops, and vegetables has been expanded on a large scale. The area planted with grain crops has increased 5.8 million mu, a growth of 1.3 percent; that with rape seed 14 million mu, a growth of 17 percent; and that with vegetables 11.4 million mu, a growth of 20 percent over the previous year. Because the state has supplied funds, implemented policies, and exercised macroeconomic control in support of agricultural production and because relevant laws promulgated by the state and the regulations in this connection formulated by the governments in various localities have been carried out one after another, the situation in the supply of farm and sideline products will improve, and the rate of inflation is expected to be lower than the previous year.

### 2. Capital Goods Market

The market environment will improve because the state has greatly adjusted the price of energy products of a fundamental nature and strengthened its supervision and control over capital goods. A mechanism of determining the price of capital goods by the market has been established to bring about the rational allocation of resources. The market for capital goods in 1995 will be fundamentally stable. Basically there will be ample supply of most of the capital goods. In general, the overall price of capital goods will continue to rise, and it will be slightly higher than that in the previous year. The price of some types of rolled steel may possibly go up. There will be a short supply of nonferrous metals, and their prices are expected to grow. China is short

of copper and aluminum, and it needs to rely on some imports. Right now, the price of copper and aluminum is already quite high. The possibility of a further price increase is remote.

### Finance & Banking

#### Commission Approves Soybean, Plywood Futures

HK0806114495 Beijing CHINA DAILY in English  
8 Jun 95 p 7

[By Zheng Jie: "2 New Exchanges Get Green Light"]

[FBIS Transcribed Text] Shanghai—The China Securities Regulatory Commission has given the go-ahead to the Shanghai Cereals and Oil Exchange to trade soybean futures and to the Shanghai Commodities Exchange to trade plywood.

The securities watchdog also gave the permission to conduct, on a trial basis, futures transactions in a number of commodities including maize, mung beans, jute, polyvinyl chloride, natural rubber, polypropylene and cotton yarn, the China Securities News recently reported.

The two exchanges are among 11 experimental commodity futures exchanges whose articles of association, trading rules and listings have been recently approved by the regulatory commission.

China closed most of its 40-plus futures exchanges last year after prices fluctuated wildly amid heavy speculation, leaving 14 surviving "experimental futures exchanges."

The Shanghai Commodities Exchange, among the 14, is a consolidation of the former Shanghai Petroleum Exchange, Shanghai Building Materials Exchange, Shanghai Agricultural Materials Exchange and Shanghai Chemical Exchange.

The new exchange started operations in mid-May.

In a move to further tighten its control over the country's infant futures market, the regulatory commission asked the 14 to submit their constitutions, trading rules and products for approval at the end of last year.

#### \*Statistician: 1994 Money Supply 'About Right'

95CE0401A Beijing CAIMAO JINGJI [FINANCE AND TRADE ECONOMICS] in Chinese 11 Apr 95  
No 4, pp 15-18

[Article by A Siqi (7093 1835 1142), Statistical Science Research Institute, State Statistical Bureau: "Analysis of Money Supply in 1994"]

[FBIS Translated Text] During 1994, the finance and banking sector strained to stabilize the economy as



prices climbed. The supply of money remained about right; thus, the money supply was not a major reason for the rise in prices. Nevertheless, in analyzing the financial situation in 1994, some researchers still feel that a prominent problem in the operation of finance and banking is "a somewhat high increase in money supply." They feel that the increase in money in both the broad and the narrow senses "exceeded normal growth rates." This view may produce a further tightening of financial regulation and control in 1995, thereby limiting economic growth. It was with this concern in mind that the writer made an analysis of 1994 financial statistics. His conclusions do not support the above contention.

**1. Increase in the money supply was not somewhat high, but just about right.**

Numerous analyses of the economic situation rely largely on how much money has been put into circulation and the rate of increase in the year-to-year chain-relative ratio of the amount of money in circulation to judge whether the money supply is on the mark. During the third quarter of 1994, for example, 63.2 billion yuan was put into circulation with the amount of money in circulation during September increasing 26.4 percent over the same period in 1993. Thus, some analysts noted that "currency issuance exhibited a quickening trend." When the financial situation for the entire year is analyzed, on the basis of the year-end 2.05562 trillion yuan balance for the supply of money in the narrow sense (M1), up 26.8 percent, and the 4.69333 trillion yuan balance for the supply of money in the broad sense (M2), up 34.4 percent, analysts might conclude that the money supply exceeded the normal growth rate and note that this was a prominent problem in financial operation during 1994. However, a fixed assets investment rate of approximately 35 percent; a 40.5 percent increase in bank cash payments for wages, up 10 percentage points from 1993; a substantial increase in government expenditures; and a corresponding expansion of the money deposits of enterprises and institutions and central bank foreign exchange holdings, which were 284.33 billion yuan larger than in 1993, were also three [as published] reasons for the fairly rapid increase in the money supply. However, money and finance as a study maintain that analysis of money issuance requires both selection of proper financial statistical norms and application of complete statistical analysis methods in order to arrive at conclusions that are objective, accurate, and useful for macroeconomic regulation and control.

The financial statistical norms that I deem proper are as follows: 1) the amount of money in circulation (M0) and its rate of increase; 2) money supply in the narrow sense (M1) and its rate of increase; 3) the amount of money

in circulation (M0) as a percentage of all deposits and changes in it; 4) the amount of money in circulation (M0) as a percentage of GDP and changes in it; and 5) the amount of increase in all credit as a percentage of GDP and changes in it.

The analytical methods that I feel should be used include the growth index method, the money composition percentage method, and the corresponding indicator comparison method. In the following section, I will first analyze the problem of whether growth of the money supply is somewhat high, followed by an analysis of whether the issuance of money is loose and how large enterprise deposits should be.

In 1994, the amount of money in circulation (M0) reached 728.86 billion yuan, up 24.3 percent from the previous year, and the supply of money in the narrow sense (M1) reached 2.05562 trillion yuan, up 26.8 percent from the previous year. Whether this increase was somewhat high may be judged from comparison with the previous several years, from comparison with economic growth, and from comparison with the increase in all deposits. Since 1987, the amount of money in circulation has increased each year by 19.4, 46.8, 12.8, 36.4, 35.3, and 24.3 percent. If the 1987 rate of increase is taken as the base, the 1994 rate of increase was somewhat high. However, just as the 1988 price reforms caused a decline in money and credit, the great intensity of 1994 price reforms could not help but cause a little too much issuance of money. Even so, despite a price index that was 3.2 percentage points higher than in 1988, the amount of money in circulation increased less than 22.5 percentage points, and the rate of increase was more than 10 percentage points lower than in 1992 and 1993. The conclusion that must be drawn is that the increase in the amount of money in circulation (M0) took a marked downturn; it was not somewhat high. Nor was the increase in the money supply in the narrow sense (M1) high. From January through October 1994, the average rate of growth for M1 was 23.7 percent, 0.5 percentage point higher than for the same period in 1988, and a 5.2 percentage point downturn from the same period in 1993. Thus, one cannot conclude that it was somewhat high. This also reflects the efforts of the finance and banking sector to stabilize demand since the 1993 restructuring of the financial order.

For the above reasons, the writer feels that the 1994 money supply was about right; it was not a somewhat high increase.

**2. Further analysis of the increase in money circulation.**

The amount of money in circulation must increase as the economy develops. This is the normal reason for issuing

money. However, at the present stage of development in China, since personal checks and credit cards are very little used, and since money circulates as cash for the most part, only by increasing the issuance of money can the increase in people's incomes get into circulation. In addition, the amount of cash used in market transactions remains very large. For example, cash is still used for state procurement of agricultural products and for peasant purchases of means of production. Expansion of these procurement and marketing activities also requires an increase in the amount of money issued. Additionally, enterprise use of cash in transactions as a means of evading bank control over cash, or even to evade taxation, also expands the demand for money. Therefore, the money supply and demand situation in economic life also often requires taking into account

the amount of money in circulation. Therefore, if the amount of increase in the money supply is less than the speed of economic development, one cannot say that growth of the money supply is somewhat high. The 39.6 percent increase in economic growth, which was 15.3, 12.8, and 5.2 percentage points higher than the respective increase in M0, M1, and M2, convincingly attests to this contention.

If the amount of money issued is at variance with economic growth, making a judgment is more difficult. Consequently, we use comparison of the increase in the amount of money in circulation and increase in GDP (figured at current year prices), and the comparative change in both to analyze whether the money supply is "loose" or "tight." See the following table.

Comparison of Increase in Amount of Money in Circulation With Increase in GDP (1986 = 100). 100 million yuan

Year	Amount of Money in Circulation	GDP	Ratio	Money Increase	GDP Increase
1987	1,454	11,307	12.86	119.4	116.7
1988	2,134	14,074	15.16	175.2	145.3
1989	2,344	15,998	14.65	192.4	165.1
1990	2,644	17,681	14.95	217.1	182.5
1991	3,178	20,188	15.74	260.9	208.4
1992	4,336	24,363	17.79	356.0	251.5
1993	5,865	31,380	18.69	481.5	323.9
1994	7,288	43,800	16.64	598.3	452.1

With the monetarization of the national economy, for many years in a row the amount of money in circulation has grown faster than the economy, thereby causing a year-by-year slowing of money circulation. However, in 1994, economic growth exceeded money growth to a substantial degree, showing that the tightening that occurred during the 1993 rectification of the economic order carried over into 1994.

Since the advent of reform and opening to the outside world, the degree to which deposits have been converted to cash flow has steadily increased. However, following improvement of the economic environment and rectification of the economic order beginning in the fourth quarter of 1988, the ratio between the amount of money in circulation to all deposits declined. In particular, with the 1994 institution of a fixed deposits inflation-proof discount policy for more than three years, fixed deposits

have increased more rapidly. The possibility that these deposits will return to circulation is very small, and they are largely allocated by the banks. This has resulted in bank deposits totaling 2.9357 trillion yuan, up 795.2 billion yuan from 1993 with the amount of money in circulation (M0) increasing 142.4 billion yuan and the increase in the former being 17.9 percent greater than the increase in the latter. This was lower than the 17.1 percentage points of 1993. The stock percentage was 24.8 percent, and since 1987, this percentage has been 22.1, 28.7, 26, 22.7, 21.4, 23, and 25.2 percent. Though higher in 1994 than in most years, it was still lower than in 1988, 1989, and 1993. Moreover, this percentage is related to the amount of money put into circulation in recent years. It may not be regarded solely as a stock percentage for any given year. But for the fairly high rate of increase in the money supply for the previous two years, this percentage would have been lower.

### 3. Effect on the money situation of a drop in the deposit-loan differential

Even though the central bank does not use the deposit-loan differential in controlling the scale of credit, one can see from changes in the deposit-loan differential whether the country's money is "loose" or "tight."

Following improvement of the economic environment and rectification of the economic order at the end of the 1980s, the ratio of national bank loans to deposits narrowed noticeably. In 1994, it decreased to 7.7 percent. The following table provides a comparison of deposits to loans for various years:

Comparison of Deposits to Loans For Various Years 100 million yuan

Year	Deposit Balance	Loan Balance	Percentage By Which Loans Exceed Deposits
1987	6,572	9,032	37.4
1988	7,425	10,551	42.1
1989	9,014	12,409	37.7
1990	11,645	15,166	30.2
1991	14,864	28,044	21.4
1992	18,891	21,615	14.4
1993	23,230	26,461	13.9
1994	29,357	31,603	7.7

Changes in the deposit-loan differential suggest that the money that the country supplied to enterprises was less than a reasonable scale for the financial economy. This was fairly tight control that reflected the somewhat low multiplier effect of national bank financial operations. The following table shows a rise in citizen deposits (city and town savings deposits and rural savings deposits) as

a percentage of all deposits, and a rise in citizen deposits plus fiscal, government institution, and group deposits as a percentage of all deposits. Looked at the other way around, this means a weakening of the extent of deposit derivatives (through loans). Thus, the funds multiplier was lower in 1994.

Percentage Composition of Deposits in Banks and Credit Cooperatives 100 million yuan

Year	All Deposits	Citizen Deposits		Citizen, Government Finance, and Government Agency or Group Deposits	
		Amount	Percent	Amount	Percent
1986	5,382	2,031	37.0	2,738	50.9
1987	6,572	2,690	40.9	3,446	52.4
1988	7,426	3,329	44.8	3,393	53.8
1989	9,014	4,451	49.4	5,373	59.6
1990	11,645	6,043	51.8	7,038	60.0
1991	14,864	7,963	53.6	9,202	61.9
1992	18,891	10,087	53.4	11,005	58.2
1993	23,230	12,940	55.7	14,140	60.9



Year	All Deposits	Citizen Deposits		Citizen, Government Finance, and Government Agency or Group Deposits	
		Amount	Percent	Amount	Percent
1994*	29,357	18,310	62.3	18,953	64.6

\*Figures other than those for deposits, which the banks reported, are the author's estimates.

#### 4. The large increase in enterprise deposits by no means eased the funds shortage.

Much of the analysis of data concentrates on the substantial increase in enterprise deposits during 1994. For example, enterprise deposits increased 273.33 billion over 1993, which was a 153.32 billion yuan increase over the previous year. Thus the view that "there is no shortage of funds," and the recommendation that the issuance of money be tightly controlled because the increase in enterprise deposits has expanded social demand and pulled prices up. We feel on the basis of study that the main source of the great increase in enterprise deposits was the great increase and sale to the state of foreign exchange. For example, at the end of 1993, the country's banks and credit cooperatives had 137.7 billion yuan in foreign exchange, an amount which increased to 422.02 billion yuan in 1994. This additional 284.33 million yuan had been paid to

foreign-exchange-earning-exporting enterprises for foreign exchange. Thus, although enterprise deposits increased 23.8 percent over 1993, they were still 6.3 percentage points less than the increase in industrial added value (figured at current year prices, and the same applies hereafter). One must conclude that money was tight. The increase in credit by 10.5 percentage points less than the increase in industrial added value was related to the increase in enterprise deposits during the previous several years having always been lower than the increase in industrial added value and to enterprise deposits as a percentage of industrial value added decreasing from 68.1 percent in 1987 to 14.5 percent in 1994. (See table below.) The somewhat higher increase in enterprise deposits in 1994 was also normal. The situation was that 1994 enterprise deposits as a percentage of gross industrial output value also rebounded only 0.7 percentage points from 1993.

Comparison of Enterprise Deposits and Industrial Value Added (1986 = 100) 100 million yuan

Year	Value Added	Deposits	Percentage	Added Value Increase	Deposits Increase
1987	4,586	3,126	68.1	115.6	118.3
1988	5,777	2,937	50.8	145.6	111.1
1989	6,484	3,085	47.6	163.4	116.7
1990	6,858	3,998	58.3	172.9	151.3
1991	8,087	4,918	54.1	203.8	186.0
1992	10,284	6,816	56.4	259.2	257.9
1993	14,140	7,672	54.2	356.4	290.3
1994	18,400	10,405	56.5	463.8	393.7

Because the sale of foreign exchange had a very great deal to do with the tremendous increase in total enterprise deposits, and because \$120 billion in exports during 1994 were the equivalent of 990 billion yuan of output value, accounting for only 23.3 percent of the whole country's gross industrial output value of 4.2573 trillion yuan, it is safe to say that three-fourths of production did not use these deposits from the conversion of foreign exchange. Therefore the increase in deposits by enterprises in different areas and different trades varied very greatly. In particular, most of those enterprises whose deposits increased from the sale to the state of foreign exchange were concentrated in foreign-oriented enterprises and coastal areas where foreign-oriented enterprises are thick. Since such funds were not available to enterprises marketing their wares domestically and those in the central and western parts of the country, they felt money was even tighter. This glaring problem of the appropriateness of the total amount of money issued and its uneven distribution meant that many places and enterprises felt a money pinch that was not less a hardship than during a severe retrenchment period.

#### **5. Several limitations on the appropriate amount of money supply.**

We believe as a result of comparative study that maintenance of a proper money supply requires consideration of the following several standards:

1. The economic growth standard: Increase in the amount of money in circulation should be less than or equal to economic growth, including corresponding increases for the already considered rise in prices, which increases society's demand for money. Thus, improvement of the efficiency with which money is applied throughout society, requires increasing the money supply to keep it at least in step with economic growth. There are numerous difficulties in realizing this goal. Improvement of financial techniques is needed for its gradual realization. However, this standard should not be abandoned. Control of the amount of currency issued during the next few years requires use of this in-step growth standard to carry out plans. This standard requires that the amount of money in circulation in 1994 should be controlled at between 711 billion and 747.6 billion yuan. The 711-billion-yuan figure is based on the amount of money in circulation in 1992 and figured on the extent of anticipated economic growth between 1992 and 1994. The 747.6-billion-yuan figure uses the amount of money in circulation in 1993 as a basis, and is based on the anticipated degree of economic growth between 1993 and 1994. The lower limit will mean having to bear to a substantial extent in 1994 the consequences

of the tumult in the financial order in early 1993 without any cushioning. At the upper limit, it will still seem that not enough money has been put into circulation. Since it is macroeconomically necessary that the 150 billion yuan planned issuance of money in 1994 not be exceeded, this may be 11 billion yuan less than the amount of money that should be put into circulation on the basis of economic growth for the same year.

2. Seasonal percentage standard. The percentage of money issued each month of a year should be identical with the pattern of economic development. Noting the pattern of monthly currency issuance since 1988, and taking the monthly readjustment factor for 1991 as the nearest one (less than 1 percent adjustment), the percentage of money put into circulation each month during these two years [as published] can serve as a reference for the issuance of money, i.e., the percentage of money put into circulation during each of 12 months is: For January through May, removal of 5 percent of the amount of money in circulation during the previous year; the period for issuing money beginning in June (the issuance period moved up earlier since reform), 4, 8, 9, 15, 18, 20, and 26 percent being issued each month. In 1994, 77.3 billion yuan was issued between July and October. This was half the planned issuance for the year, and largely the same as the normal percentage issued. Thus, it may be regarded a fairly reasonable release. This suggests that keeping 1994 money issuance within plan was the result of fairly tight control over money.

3. Deposit-loan differential standard. Even during periods of tight control over money and credit, a reasonable ratio must be maintained between loans and deposits; otherwise, bank returns on money will suffer. Historically, the deposit-loan differential has been as high as more than 30 percent and as low as around 10 percent. In order to ensure that the issuance of money does not set off currency inflation, credit can be controlled on the basis of the deposit-loan differential in low price years (such as 1991 and 1992). When macroeconomic control requires some loosening of credit, the deposit-loan differential should be held at 15 percent. When macroeconomic control requires some tightening of credit, the deposit-loan differential should be held at 10 percent. This is essential.

4. Proportional standard for money and credit. Until such time as payment methods have been completely reformed, money remains the most universally used and largest circulation medium. Therefore, when depositors want to use their own deposits, banks have to put up the money. This makes the ratio of money to deposits extremely important. In 1987, 1990, 1991, and 1992, this percentage was generally around 22 percent, which may be deemed about right. During the serious inflation

years of 1988 and 1989, it was 28.7 and 26 percent. This was deemed extreme. By comparison, the 1994 ratio is forecast at 22 percent, which is on the low side. This also shows that the money supply was by no means loose in 1994.

On the basis of the foregoing analysis, we feel that the supply of money and credit was about right in 1994. Financial planning for 1995 can take these control percentages into account to gain overall economic stability and healthy development.

### Foreign Trade & Investment

#### Beijing Rules on Dissolving Foreign-Funded Firms

OW0806083895 *Beijing XINHUA in English*  
0822 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — The Chinese capital's legislature today passed regulations on dissolving foreign-invested businesses, marking new legal progress in the local use of foreign investment.

The regulations, which will go into effect July 15, were approved at the 17th session of the Standing Committee of the Municipal People's Congress, which opened here Tuesday [6 June] and ended today.

The regulations are aimed at improving the local investment environment, regulating the behavior of the foreign-invested firms and guaranteeing their dissolution in a legal way.

The regulations apply to firms with foreign investment which have been legally approved and registered at local institutions. The rules also extend to firms involving investment from Hong Kong, Macao and Taiwan.

The rules specify dissolution by agreement, dissolution at one party's request and administrative dissolution.

According to Yi Xiqun, assistant mayor and director of the Beijing Foreign Economic Relations and Trade Commission, Beijing has placed top priority on importing foreign investment in the past decade.

By this May a total of 10,880 businesses involving foreign investment had been approved in the capital, with direct foreign investment of 15.88 billion U.S. dollars.

In the first five months of this year alone Beijing approved 672 joint ventures, co-operative businesses and foreign-funded firms, involving direct foreign investment of 1.105 billion U.S. dollars.

However, at a time when the number of foreign-invested firms is soaring in Beijing, some businesses have to be

disbanded due to expiration or termination of contracts, or other reasons.

The rules passed today provide the legal means to solve problems arising from such dissolution.

The capital passed regulations on clearing accounts in 1993, specifying how to settle accounts after businesses are dissolved.

At the same session of the legislature, new local Party chief Wei Jianxing Tuesday named economic construction, social stability and the war on corruption as today's three central tasks set for Beijing.

#### Beijing Foreign Trade 1.434 Billion U.S. Dollars

OW0806033195 *Beijing XINHUA in English*  
0306 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — The Chinese capital's foreign trade volume amounted to 1.434 billion US dollars- worth in the first five months of this year and exports were worth 1.047 billion, 43.5 percent higher than in the same period of last year.

The export figure also surpassed the nation's 10.3 percent average in the first four months, according to today's "Beijing Daily".

The main commodities for export include garments, electronics products, textiles, handicrafts and ornaments.

The Capital Iron and Steel General Corporation, with an export volume of 97.34 million US dollars, ranked the first among the major local exporting firms.

The export volume of foreign-funded enterprises in Beijing reached 248 million US dollars-worth, a 60-percent increase over the same period of last year.

However, due to tight money supply, slow tax returns and price rises for export commodities, the export benefits dropped a little bit.

So far, the capital boasts a total of 3,278 foreign-funded enterprises with 308,000 employees. Overseas firms have opened a total of 4,200 offices and subsidiaries in the capital, employing some 9,000 Chinese workers.

#### Chang Jiang Attracts 63 Foreign-Funded Firms

OW0806075795 *Beijing XINHUA in English*  
0728 GMT 8 Jun 95

[FBIS Transcribed Text] Danyang (Jiangsu), June 8 (XINHUA) — A total of 63 foreign-funded enterprises have been set up in the Danyang Economic Development Zone in the Chang Jiang River Delta, a local official told XINHUA today.



Wang Rongzheng, director of the zone's management committee, said that the zone has so far actually U.S.ed more than 55.4 million U.S. dollars of foreign investment, accounting for some 50 percent of the total volume of the contracts signed between the zone and foreign investors.

"Among them, five companies get more than 10 million U.S. dollars of foreign investment each," he said.

The official said that the city's aluminum foil project has a total investment of 320 million Chinese yuan Renminbi, including a British Government loan of 10.09 million pounds, and it is now operating normally since its products passed a qualification inspection since last Autumn.

"The project will produce 70 million tons of aluminum foil by the end of this year, accounting for one-fifth of China's total," Zhang said.

The official said that the project will help China gradually stop importing the material in the near future, which is used for cigarette packaging.

He said that the zone and a German consulting engineering firm, the AEC GmbH, established a fiber board company with the German side making an investment of 28.88 million U.S. dollars. "equipment installation is going on and will soon go into production," he added.

In addition, he said, the zone has just signed a contract with the FMC Corporation from the United States to produce hydrogen peroxide solution. The American company invested 30 million U.S. dollars in the joint venture.

He said that one of the most important reasons why the 12.8-sq- km economic development zone can attract so many foreign investors in a matter of three years is that the zone has "a very good access to communications and transport, providing an easy outlet for local products."

The trunk Beijing-Shanghai railway line in eastern China runs through the west of the zone, which is 25 km north of the Chang Jiang River's third biggest port of Zhenjiang. The zone is just 20 km away from a local airport in the east and the Grand Canal and Xinjiuqu River connects the zone with Chang Jiang River in the west and south, the official explained.

With the completion of the Shanghai-Nanjing expressway by the end of next year, this 2,400-year-old city of Danyang will become more convenient for foreign investors in terms of communication and transport, he added.

### **Big Inflow of Foreign Investment Into Tianjin**

OW0806075695 Beijing XINHUA in English  
0723 GMT 8 Jun 95

[FBIS Transcribed Text] Tianjin, June 8 (XINHUA) — Overseas investment flowed into Tianjin, the largest port city in north China at an accelerating pace in the first quarter of this year.

The main industrial city used overseas investment worth 494 million U.S. dollars from January to March, a whopping rise of 42 per cent over the same period of last year.

Statistics show that the city drew 343 million U.S. dollars in direct foreign investment in the first three months, an increase of 36 percent over the same period of 1994; the other 151 million U.S. dollars was borrowed from abroad, up 57 percent.

So far this year each newly-signed project has involved an average of 2.5 million U.S. dollars, 40 percent more than last year. An increasing number of joint ventures have poured more money into expanding production in Tianjin.

During the January-March period, 750 million U.S. dollars or 75 percent of the total foreign capital flowed into the manufacturing sector. Two out of three foreign-funded projects are manufacturing enterprises, totalling 266.

The gross domestic product of the city was valued at 20.8 billion yuan (2.5 billion U.S. dollars) in the first quarter, up 13.4 percent over the same period of last year. The growth was faster than the national average of 11.2 percent.

### **Joint-Venture Gas Field To Open in Hainan**

OW0806072495 Beijing XINHUA in English  
0707 GMT 8 Jun 95

[FBIS Transcribed Text] Haikou, June 8 (XINHUA) — A large natural gas field with an annual production capacity of 3.45 billion cu m in south China's Hainan Province is expected to go into trial operation this October.

The YA13-1 gas field, a Sino-foreign venture, will start supplying gas for Hong Kong and Hainan province as of January 1 next year.

The gas field, located in South China Sea about 100 km south of Sanya city, covers an area of 49.9 sq km with proven gas deposits of 96.8 billion cu m. Its production life is estimated at 20 years.

**U.S. Eye Firm Boosts Investment in Joint Venture**

OW0806113295 Beijing XINHUA in English  
1115 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — Bausch & Lomb Eyecare Co. Ltd (B&L) announced here today its plans to invest an additional 70 million RMB [Renminbi] yuan in its Beijing eyecare product joint-venture.

Among those present at today's ceremony for the investment expansion announcement were senior officials from the Chinese Ministry of Foreign Trade and Economic Cooperation, Ministry of Public Health, China National Council of Light Industry and Beijing Municipal Government, as well as Daniel Gill, chairman of B&L.

According to a senior official of B&L, the company is planning to invest up to 300 million RMB yuan in China over the next three to five years in vision care, and its goal is to increase the capital of the joint venture to one billion RMB yuan by the year 2000.

The official said that the investment plans include the introduction of new contact lens technology, training and development of eyecare professionals throughout China, and the installation of production lines for eyecare and lens products.

Over the next three to five years, he added, B&L will also expand its eyecare product range and introduce production lines to manufacture products concerning hearing systems, oral care and skin care.

Entering the Chinese market in 1987, B&L currently manufactures, distributes and sells soft contact lenses and eyecare products through over 700 optical outlets across China. It has established five offices in Shanghai, Guangzhou, Chengdu, Wuhan and Shenyang.

**Agriculture****Song Jian 'Confident' on Food Production**

OW0806072395 Beijing XINHUA in English  
0716 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — State Councillor Song Jian said here today that China is confident that it is capable of feeding its 1.6 billion population in the coming century.

He made the remarks in a meeting with agricultural experts from 11 countries and several international organizations, such as the United States, Canada, Australia, New Zealand, Britain, Germany and Israel, and the United Nations Food and Agriculture Organization.

For a very long period of time to come, agricultural development will be "an eternal issue" of vital importance

to the existence of the Chinese people, he told the experts participating in a three-day seminar on agricultural development in China, which opened today.

"Chinese leaders and scientific and technological circles have reached a consensus on giving top priority to agricultural technology research and application," Song said.

**Progress in Reducing Farmers' Financial Burdens**

HK0806013695 Beijing RENMIN RIBAO in Chinese  
14 Apr 95 p 1

[Article by staff reporter Jiang Xia (3068 1115): "China Makes Progress in Lightening Farmers' Financial Burdens—It Is Necessary To Guard Against Resurgence of the 'Three Wanton Collections,' Especially To Prevent Wanton Collection of Funds and Arbitrary Apportioning of Expenses"]

[FBIS Translated Text] Beijing, 13 Apr (RENMIN RIBAO)—New progress was made in relieving farmers' financial burdens throughout the country in 1994. As a result, the national average of pooled funds contributed by farmers, as well as obligatory workdays and labor accumulation workdays (called "two types of workdays" for short) undertaken by farmers continued to be restricted within the limits prescribed by the "Regulations." But wanton collection of funds and arbitrary apportioning of expenses have cropped up again in some localities. This was learned from a news briefing held jointly today by the Ministry of Agriculture, the Ministry of Supervision, the Ministry of Finance, the State Planning Commission, and the State Council's Legal Affairs Bureau.

Statistics released by the Ministry of Agriculture showed that farmers' financial burdens as stipulated in the contracts signed with their collectives amounted to 52.1 billion yuan in 1994. Of this, the pooled funds directly contributed by farmers were 36.5 billion yuan, averaging 41.3 yuan per person — 4.91 percent of the per-capita net income in the previous year. The two types of workdays totaled 7.11 billion, averaging 16.4 per able-bodied farmer. The amount of money used to substitute for such workdays came to 8.51 billion yuan, 127.5 percent more than the previous year. Farmers' social burdens amounted to 8.5 billion yuan in 1994, up 38.2 percent, including 2.83 billion yuan in funds raised and expenses levied — an increase of 68.5 percent. The pooled funds contributed by farmers and the two types of workdays undertaken by farmers in 1994 continued to be restricted within the prescribed limits and ratios, but there were big increases in the amount of money used to substitute for the two types

of workdays and in the amount of money raised and levied outside of farmers' contracts.

It is learned that the people's congresses or governments in 26 provinces, autonomous regions, and municipalities directly under the central government have formulated local regulations or administrative rules concerning the management of farmers' financial burdens; that 1,730 counties, 68.9 percent of the total number of counties in China, have introduced a budget system for pooled funds; that 1,247 counties, 49.5 percent of the total number of counties in China, have instituted a special auditing system for farmers' financial burdens; and that 1,448 counties (cities or districts), 57.4 percent of the total number of county-level units in China, have established a supervision or detailed card system for farmers' financial burdens. Li Zhilun, vice minister of supervision, said that a major problem at present is that the question of ideological understanding of the importance of reducing farmers' burdens has not been settled thoroughly; that farmers' covert burdens have increased; that the problem of regional farmers' burdens have become more evident; and that the "three wanton collections" in rural areas, particularly wanton collection of funds and arbitrary apportioning of expenses, have resurfaced.

On behalf of the five ministries and commissions, Wang Baorui, vice minister of agriculture, outlined the guidelines for lightening farmers' financial burdens in 1995. He called for adherence to the "three no-changes," namely: taking the reduction of farmers' burdens as a basic policy of the party on rural work will not change; the series of policies and measures formulated by the party Central Committee and the State Council on lightening farmers' financial burdens will not change; and the system under which the number-one leaders of the party and the government assume overall responsibility for the reduction of farmers' burdens will not change. It is necessary to accelerate the standardization and institutionalization of the management of farmers' burdens and take effective measures to halt the resurgence of increasing burdens.

With regard to departments and units which fail to enforce orders and prohibitions and which adopt measures to increase farmers' burdens and raise rates without authorization, the departments for discipline inspection and supervision will investigate their leaders' responsibilities for violating party and government discipline. As regards those continuing to increase farmers' burden in such a way as to cause serious incidents to happen, the responsibility of the persons concerned and their immediate superiors will be investigated, as will the leadership responsibility of the party and government leaders at higher levels. It is necessary to introduce the farmers'

burden supervision card system throughout the country and regularly check the implementation of relevant regulations and rules.

It is also learned that a network of farmers' burden monitoring stations in 100 designated counties (cities or districts) will go into operation later this year. The stations will promptly receive information concerning farmers' production, operation, earnings, and burdens to guide various localities to improve their supervision over and management of farmers' burdens.

#### **LIAOWANG on Control of Agricultural Prices**

HK0606135695 *Beijing LIAOWANG in Chinese*  
17 Apr 95 No 16, pp 21-23

[Report: "Sound Strategy for Curbing Price Increase of Agricultural Means of Production"]

[FBIS Translated Text] Faced with a tense market supply and rocketing prices of agricultural means of production, many people lamented: Price ceilings cannot hold back prices, price subsidies cannot make up the difference, and deregulation may prove too much for peasants. What is to be done?

This is indeed a difficult problem to tackle. The central and local authorities as well as relevant departments have all made untiring efforts and have searched high and low for a solution to this problem in recent years. Although these efforts and searches have not produced ultimate success, the latest news from the National Work Conference on Agricultural Means of Production recently held in Beijing is that, through repeated searches and practices, enterprises handling the circulation of agricultural means of production in many localities and departments have found sound strategies for controlling the prices of these commodities.

#### **Strategy One: Government Support, Coordination between Departments, Genuine and Sincere Desire, and Coordinated Efforts Truly Giving Priority to Agriculture**

Agricultural means of production are important commodities that are indispensable to agricultural production. Their supplies and prices have a direct bearing on the enthusiasm for agricultural production. In this sense, ensuring abundant supplies on the agricultural capital goods markets and stabilizing market prices is a concrete expression of benefiting the peasants, developing agriculture, and truly giving priority to agriculture.

An official of the China Agricultural Means of Production Corporation pointed out: In those provinces and cities where a good job has been done in ensuring the



supplies of agricultural means of production, an overriding factor is that they have all received the attention and support of their government as well as the active coordination of the relevant departments. This has enabled the departments in charge of the supply of agricultural means of production to effectively exercise their role as the main channel of circulation, thereby ensuring sufficient supplies and stable prices on the market.

The Jiangsu Provincial Agricultural Means of Production Company noted that in 1994, the provincial party committee and provincial government had attached great importance to the work, allocated foreign exchange for the import of agricultural means of production, and provided subsidies to reserves set aside for disaster relief. In order to ensure the supply of agricultural means of production and stabilize their prices, the provincial government introduced two responsibility systems for governments at all levels and for the relevant departments, US\$500,000 was taken out from last year's retention of foreign exchange earnings to pay for the import of chemical fertilizers and other means, and subsidies amounting to 10 million yuan were given to emergency supplies of chemical fertilizers at the provincial level. Discount interest was offered to provincial-level emergency farm drug reserves, and a decision was made to establish a system of market price regulation funds for agricultural means of production. Local governments in Jiangsu also adopted their own effective measures. For example, county governments in Jiangsu spent a total of 18 million yuan last year to subsidize agricultural means of production. With the support of their governments, organs for the purchase and marketing of agricultural means of production actively organized sources of supplies and increased supplies to ensure need. As a result of these measures, the main channel for the circulation of agricultural means of production had a market share of over 95 percent in Jiangsu.

The Guanyang Agricultural Means of Production Company in Guangxi noted: In 1993, the agricultural capital goods market was open to different operators in the county. The order of circulation was chaotic, and fake and shoddy products were not uncommon. This not only inflicted losses on agricultural production, but had an adverse effect on the role and image of the main channel of the supply and marketing cooperatives.

In order to fully bring the role of the main channel into play, the Guanyang County People's Government issued a document clarifying the role of supply and marketing cooperatives and agricultural means of production companies as the main channel, stipulating that no unit or individual may engage in the marketing of chemical fertilizers, farm drugs and plastic sheets for agricultural use. The county party committee and county gov-

ernment also established an agricultural capital goods market leadership group. They also formed a screening and consolidation work group by transferring 15 staff members from the finance committee and from industrial and commercial, pricing, supply and marketing and other units, which spent one month screening out all agricultural capital goods markets in the whole county. The agricultural means of production company took over 73.13 tons of chemical fertilizers and farm drugs worth more than 500,000 yuan from units being screened. This brought about a fundamental change in Guanyang county's agricultural capital goods market and produced excellent economic and social benefits, with the main channel once again dominating the market.

Doing a good job of supplying agricultural means of production needs the support of the local governments and relevant departments, but more importantly it requires hard work on the part of departments handling agricultural means of production themselves. In 1994, as a result of the introduction of reform measures by the state, problems such as the shortage of resources and soaring prices occurred in the supply of agricultural means of production in Jiangxi. This aroused the concern of all affected parties. In spite of their straitened financial circumstances, the Provincial Party Committee and Provincial Government allocated 10 million yuan to subsidize the import of chemical fertilizers. They also required that the provincial agricultural means of production company organize the import of another 400,000 tons of chemical fertilizers on top of the 200,000 tons already planned, and all imported chemical fertilizers be delivered to the supply points throughout the province before the end of July. Faced with this colossal task, the company went all out to organize and place orders, made prompt decisions on the basis of having an accurate grasp of information, and signed contracts with nine foreign suppliers at the lowest price on the international market at that time, thereby saving US\$2.96 million in foreign exchange. At the same time, the company also actively sought the support of banks and transport departments to ensure the stability of supplies and prices on Jiangxi's agricultural capital goods market.

**Strategy Two: Implement Document Number 45, Proceed from the Actual Conditions of the Locality, Deepen the Reform of the System for the Circulation of Agricultural Means of Production, and Strengthen Supervision and Management**

### **Establish an orderly agricultural capital goods market**

Imposing price ceilings on the sale of monopoly products, strengthening supervision and management, and standardizing the procurement and marketing and circulation of agricultural means of production are the main points of Document Number 45 of the State Council.

How should a place implement the spirit of Document Number 45 in the light of its local conditions and truly develop an orderly agricultural capital goods market? Many localities have achieved various degrees of success in their year-long search for a good approach. The following are some of the main approaches adopted:

—The replacement of the existing three-level wholesaling and single-level retailing network with a single-level wholesaling and single-level retaining network. This is one of the important measures adopted by Jiangxi to reform its agricultural capital goods circulation system. This meant combining wholesaling by the provincial agricultural capital goods corporation with wholesaling and retailing by county-level companies and grass-roots level supply and marketing cooperatives, and practicing the commission system at grass-roots cooperatives. The system and scope of operation of prefectural and city agricultural means of production companies are put forward by the provincial supply and marketing cooperative in conjunction with prefecture or city concerned and submitted to the provincial government for approval. This effectively reduces circulation links and costs.

—Shaanxi province adopted the method of level-by-level management, unified rates and strict monitoring. The manufacturer's prices of all chemical fertilizers produced by chemical fertilizer factories in the province are fixed by the provincial price bureau. The allocation price of chemical fertilizers imported by local units with foreign exchange is appraised and fixed by the provincial price bureau at about 10 percent above the manufacturers' price of domestic products of the same category. The retail price of chemical fertilizers is subject to fixed price differentials. The overall rates of differentials, which are fixed in accordance with the principle of "smaller differentials for higher levels and bigger differentials for lower levels so as to let grass-roots units retain more profits," are as follows: For premium chemical fertilizers, 4 percent for provincial-level units and 6 percent for county-level units; for chemical fertilizers produced by small factories, 10 percent for county-level units. The retail price of chemical fertilizers is fixed by the pricing departments on the basis of the weighted average purchase price, the stipulated overall differential and a reasonable percentage of transport and miscellaneous fees. After the readjustment, the average retail

price of chemical fertilizers in the province is 1,515 yuan per ton, 105 yuan less than the retail market price before the reform.

—The improvement of rules and regulation and the standardization of order of market prices. This is the common action of many provinces and prefectures. It includes clear stipulations on the proportion of chemical fertilizers that a production enterprise can market on their own: For premium chemical fertilizers produced in the province, the amount to be marketed by the factories themselves is to be kept under 10 percent of their total sales; for chemical fertilizers produced by small factories, the amount to be marketed by the factories themselves is to be kept under 15 percent of their total sales. Some localities have adopted the so-called "three-certificate system," which includes a system of requiring business permits for agricultural means of production." Units authorized to deal in chemical fertilizers, farm drugs and plastic sheets for agricultural use will only be allowed to operate if they have the "three certificates" and "business licenses," and there is to be no exception. This method helps eliminate illegal units and traders from the market, standardizes the market pricing order, and curbs further price hikes for agricultural means of production.

—The establishment of a new system of chain-store operations and the operations to develop an overall advantage in competition. This method was invented by Guanyang County in Guangxi. In order to increase the competitive edge of its grass-roots agricultural capital goods enterprises, Guanyang County has begun to look into the possibility of establishing a "chain-store operation system" since last year. This will involve the establishment of a corporation with the director of the county united cooperative as chairman of the board, county agricultural capital goods companies as managers, the directors of grass-roots cooperatives as members of the board, and the deputy director of the county united cooperative as the general manager, as well as the establishment of an agricultural capital goods management department in grass-roots supply and marketing cooperatives, with the competent deputy director acting as its director. Unified leadership, unified accounting, unified placement of orders, unified sales, unified pricing, unified organization of funds and unified management are practiced. As summed up by them, this method has the following advantages: It has brought about more unified efforts, increased strength, reduced the number of intermediate links, reduced costs, increased the number of outlets, made things more convenient for the masses, ensured supplies. Peasants are satisfied with this method; the government feels more at ease; economic results have improved; and the staff and workers are happy.

**Strategy Three: Persist in Relying on One Operation in the Main While Developing Diversified Operations, and Explore the Methods of Using Sideline Production to Sustain Agriculture, Making Industrial Production Help Agriculture, and Relying On Entities to Support Agriculture Increase the Capability of Agricultural Capital Goods Enterprises to Resist Market Risks**

The fact that agriculture is a weak sector determines that the marketing of agricultural capital goods has a low profit margin and that it is impossible for agricultural capital goods enterprises to develop and expand by relying on the marketing of agricultural capital goods alone. Whether we look at it from the need to develop the enterprises or from the perspective of better serving agriculture, an enterprise will have no way out and no future if it only deals in agricultural capital goods and does not diversify its operations. If an enterprise does not have economic strength, serving agriculture can be nothing more than empty talk. Thus, agricultural capital goods enterprises must take the road of relying on one operation in the main while developing diversified operations.

Based on this understanding, Jiangsu's agricultural capital goods system took circulation as its basis and efficiency as its basic task, extended its operations to other directions without relaxing its grip on the main operation. A fundamental change occurred in its business structure as it steadily expanded into the spheres of industrial capital goods, processing, foreign trade, restaurants and entertainment, scientific and technological development, and real estate. A new road was found for the development of agricultural capital goods enterprises under the market economy, and a pattern of the integrated development of commerce, trade and industry and the expansion of domestic and overseas markets gradually took shape. The business turnover of diversified operations of city and county agricultural capital goods companies in southern Jiangsu accounted for 50 percent of their total sales. In some companies, the share was as high as 80 percent. This greatly increased the comprehensive strength and development potential of these companies.

In order to strengthen its ability to serve agriculture, the Jiangsu Provincial Agricultural Capital Goods Company established over 30 economic entities, including more than 10 Sino-foreign joint ventures, in recent years. It also diversified its operations to cover petroleum products, building materials, fodder, chemical materials, and real estate. This greatly increased the company's vitality and enabled the company to reach a new height in its scale of operations. Last year's sales totaled 2.53 billion yuan, more than double the 1991 figure. Five

percent of the turnover was generated by business other than agricultural capital goods. This greatly enhanced the company's ability to serve agriculture and enabled it to better bring into play the role of the main channel.

In doing a good job of running economic entities in order to serve agriculture, Sichuan Province has also tried out the following forms:

—Commodity bases. This involves efforts to develop "three-high" agriculture around the readjustment of the rural industrial structure, support production in commodity bases with specific market needs in mind, and promote the development of agricultural and sideline production in the direction of commercialization and marketization.

—Development of commodities. This involves efforts to develop fine agricultural products and varieties with the help of local scientific and technological personnel, and to achieve good social and economic results by promoting agricultural production and making full use of science and technology in enterprises.

—Intermediary services. This involves efforts to provide scientific and technological counseling and services, actively develop ties of cooperation with relevant industrial production enterprises within and outside the province, and unfold the trial- manufacture, testing, trial marketing and commission sale of farm drugs, chemical fertilizers and other new varieties of agricultural means of production.

—Associated economic entities. This involves efforts to establish scientific and technological service entities in the form of cooperation based on partnership in accordance with the principles of equality and mutual benefit. Examples of these are the Sichuan Provincial Scientific and Technological Service Station for Agricultural Means of Production, the Provincial Association for Science and Technology in the Production of Agricultural Means of Production, as well as the Qiaofeng Chemical Industrial Company under the Jiajiang Supply and Marketing Cooperation. These entities are providing a variety of services to help peasants, and their social benefits have increased hand in hand with the economic benefits of enterprises.

Figures show that agricultural supplies departments at and above the county level in Sichuan have achieved good overall economic benefits in 1994, with profits showing a year-on-year increase of 17.26 million yuan. They have been able to secure a market share of over 85 percent in their sale of agricultural supplies, thereby consolidating the role of state commerce as the main channel.



Practice shows that it is entirely possible to solve the problems with the main channel, such as the shortage of supplies, soaring prices, chaotic market order and lack of competitive strength. Looking at it in another way, difficulties are a kind of challenge, and challenge implies opportunities for development. In dealing with the major issue and major task of how to improve the supply of agricultural means of production under the market economy and achieve social effects as well as good economic results for enterprises, governments at all levels must attach great importance to the strategic position of agriculture, the departments concerned must conscientiously implement the principles and policies of the Party Central Committee and State Council for developing agriculture and protecting the interests of peasants, and the main channel for the circulation of agricultural means of production must actively take the initiative to explore new ways and means that meet the needs of the new situation. If all these are done, it will be possible to smoothly and truly tackle the task of ensuring the supplies of agricultural means of production, and it will be possible to keep the prices of agricultural means of production within a reasonable range.

**\*Interview With Bank President on Rural Support**

95CE0413A Beijing JINGJI RIBAO in Chinese  
25 Apr 95 p 3

[Article by Wang Zhi -Interview with Agricultural Development Bank President]

[FBIS Translated Text] On 19 April 1994, the State Council approved the establishment of the Agricultural Development Bank of China [ADBC]. By now, the work to create the ADBC's 29 provincial-level branches is roughly completed. On the occasion of the bank's first anniversary, this reporter interviewed the bank's president Zhu Yuanliang.

Reporter: The Agricultural Development Bank has been drawing increasing attention from all circles of society. What role do you think it will play in China's economic development as a policy-oriented financial institution?

Zhu Yuanliang: The general trend of various nations' economic development has revealed that a developing country usually needs the government to intervene in and readjust the economy by adopting special industrial policies in order to boost "bottleneck" and priority industries. The Agricultural Development Bank will perform a unique function in supporting agriculture and the rural economy. By extending credit funds, the policy-oriented financial institution will play a big role in securing the grain, cotton and oil-bearing crops' purchase, storage, transfers, processing, supply, holding

market prices, helping the 80 million poor people in rural areas to get rid of poverty and improving the agricultural infrastructure.

Reporter: Currently, it has become a nationwide concern to improve agriculture. Please say something about the specific measures the ADBC will take to support agriculture and the rural economy.

Zhu Yuanliang: First, we will place stricter control over the credit funds set aside for the purchase of grain, cotton and oil-bearing crops, and ensure that no IOUs are issued, and prevent credit funds from being used for other purposes. On the basis of thorough investigations, we have proposed policies on segregated use of funds for purchasing grain, cotton and oil-bearing crops. The major points are: We will strengthen unified control over accounts opened by agricultural policy-oriented purchasing enterprises, that is, require them to open their basic savings accounts only in the Agricultural Development Bank; strengthen our management of the purchasing funds deposited in special accounts, that is, permit such funds to be used only for purchases and for things related to purchases but not for any other purposes; intensify the work to recover the money prepaid by the bank in purchases, that is, urge local government financial departments and purchasing enterprises to pay back the money the bank prepaid for them as soon as possible; readjust the volume of loans according to the amount of the purchased and stored crops, that is, conduct an overall checkup to determine the volume of credit funds in excess of the money actually spent on purchasing and storing grain, cotton and oil-bearing crops; and introduce a policy of "increasing this, decreasing that" in extending loans for transferring the purchased grain, cotton or oil-bearing crops to sell, that is, avoid redundancy in granting credit funds so that the grant and recovery of loans will be in keeping with the flow of the enterprises' commodity funds.

Second, we will increase the volume of credit funds for supporting the poor and for agricultural comprehensive development while trying our best to make these funds available as early as possible. We will help farmers in poor areas to get rid of poverty and become rich, improve the agricultural infrastructure, and increase the potential of agriculture for future development. By now, we have worked out plans for this year's credit funds for supporting the poor and for comprehensive development. The funds will be available earlier than expected. To use the special funds to the best, our bank drafted a document entitled "Views on Strengthening the Management of Development Loans" and formulated methods for controlling all kinds of credit funds. We are striving to establish step by step an operating mechanism of policy-oriented credit funds, which fits

in with the needs of agricultural and rural economic development.

At present, the Agricultural Development Bank does not have branches below the provincial level, so it will entrust the agricultural bank as its agency for various business items.

Reporter: What is your view of the saying that a policy-oriented bank is a "second Ministry of Finance?"

Zhu Yuanliang: A policy-oriented bank is a financial establishment that undertakes special tasks based on national trust. It is not a government organization, nor is it an agency of the Ministry of Finance to allocate funds. Although the policy-oriented business entrusted to it is huge, it must always do its business according to laws of banking. It should also pay close attention to the circulation and safety of credit funds, strengthen risk management of credit funds, strictly practice business accounting, and by using banking mechanisms, methods and means perfectly fulfil policy-oriented tasks. For this reason, while we are striving to make agricultural policy-oriented credit funds available in good time and in full volume, we need to attach utmost importance to stricter management of credit funds and to better returns in using the funds. Only in this way can our bank do a better job in serving the agricultural sector and rural economic development.

#### **\*Fujian Peasant Burdens Continue To Increase**

95CE0413B Beijing JINGJI CANKAO BAO  
in Chinese 23 Apr 95 p 1

[FBIS Translated Text] From a Fujian provincial working conference on supervising and administering farmer burdens, this reporter has learned that last year various levies on the province's rural people "increased" significantly, and the campaign to alleviate farmer burdens is grim.

Jiang Anrong, director in charge of the Fujian Provincial Office for Supervising and Administering Farmer Burdens, said the central and provincial authorities have abolished by official order some fees, such as the fee for overuse of land to build houses, the management fee for village and town planning and construction, the land registration fee, the farm-machinery management fee, the compulsory education-supporting fee, population funds, the rural public order-maintaining fee, the bamboo production-supporting fee and the rural water conservancy project fee. Yet, many local authorities and departments are still collecting these fees. As a result, the amount of rural people's income deducted by villages as public accumulation and collected by townships as local revenues averaged 59.4 yuan per person last

year, equal to 4.9 percent of the per capita net income in 1993, an increase of .04 percent.

According to Director Jiang, the excessive charging of fees, exorbitant collection of funds and arbitrary apportioning of expenses have not stopped despite repeated efforts to ban them. He cited one example. In the first eight months of 1994, one village spent 11,000 yuan for various kinds of "training fees," equal to 4.8 yuan per person, or 74 percent of the money the village deducted from the villagers' earnings. The village did not include the per capita payment of 78.38 yuan for public accumulation and local revenues, which accounted for 3.65 percent of the per capita net income the previous year, an increase of 16.04 yuan.

Citing sample surveys, he said that more than half of a village's public spending is contribution to higher authorities' projects. One town, for instance, asked each village under its jurisdiction to contribute 1,200 yuan to buy a car. The police station in the town also required each village to contribute 400 yuan for gasoline. In one city, the authorities specified quotas for all villages to subscribe to newspapers and magazines: 8,500 yuan for a large village, 5,500 yuan for a medium-sized village and 3,000 yuan for a small village.

Director Jiang Anrong noted that farmers' hidden burdens have been increasing fast, and is a serious problem that should not be overlooked. For example, the rapid rise in prices of producers' goods such as chemical fertilizer and pesticide, and the flooding of fake or shoddy pesticide, chemicals and seeds in the market have created heavy financial burdens for farmers. The provincial agricultural commission estimates that last year price hikes of agricultural producers' goods alone increased the Fujian farmers' expenditures by 1.8 billion yuan.

Why has there been a considerable "increase" in the farmers' burdens? Director Jiang Anrong saw several reasons. First, some leading officials set the campaign to alleviate burdens against the development of the economy. In their view, to lighten farmer burdens is to bind them hand and foot, reduce government financial sources, and delay the development of various undertakings. Therefore, it should not go too far. Second, a strong supervision mechanism for alleviating farmer burdens is lacking. In this province, most of the offices in charge of supervising and administering farmer burdens are merely nominal with no special funds or staff. This has made it difficult for them to do their job. Third, it is difficult to handle the cases related to farmer burdens. In some localities and departments, leaders tend to shield activities and persons responsible for increasing farmer burdens to protect the grassroots-level cadres' enthusiasm, financial difficulties, and fear of affecting

rural stability. Consequently, farmers' burdens drag on and on. In a few places, those who appealed to the higher authorities for help were retaliated against in other matters.

**Heilongjiang Governor on Agricultural Work**

SK0606004895 Harbin HEILONGJIANG RIBAO  
in Chinese 14 May 95 p 1

[By reporter Gao Mingyi (7559 2494 5030): "Tian Fengshan Travels Deeply to the Countryside To Examine the Farming Situation and Set Forth Five Priorities for Rural Economic Work"]

[FBIS Translated Text] Since this spring, our province has experienced low temperatures and very little sunshine. What is the spring plowing situation? What is the progress of farming and the industrialization of rural economy? From 10 to 12 May, driving more than 800 km in a car, Governor Tian Fengshan and responsible persons of relevant provincial departments went deep into Zhaodong and Anda cities and Lindian, Fuyu, and Gannan Counties to examine the seedling growing situation, to visit peasant families, to inspect the livestock sheds, and to visit some enterprises to investigate the actual situations and study problems, and put forward five demands on the province's current rural economic work.

We should attach importance to combating disasters while carrying out agricultural work. According to an ordinary year, a low temperature is an omen of this year's natural disasters. We miss the time for spring sowing. Based on the weather forecast by the meteorological departments, periodical low temperatures will also occur in summer, and we may have the danger of an early frost. We may say that the problem of combating agricultural disasters is independent of man's will. At present, it is not proper to say that man will triumph over nature. However, through our work, it is absolutely possible to reduce the disasters to a minimum. According to this year's weather conditions, we must keep anti-disaster work deeply in our mind, overcome the mentality of depending on luck, and try by all possible means to formulate more measures for combating disasters. First, we should greatly increase the farming areas under plastic-sheet coverings. Though peasants have to increase their inputs, the turnover from the output will be much greater than their investments. Second, we should carry out transplanting. This is a very well-considered method. During this year's corn sowing, we should not promote the method of conducting field inspection and resowing seeds, and should vigorously promote the method of conducting field inspections and planting replacement seedlings. Certainly, this is a measure for overcoming low temperatures and pro-

moting early ripening of crops. Third, we should pay attention to weeding, plowing, and banking soil in summer, and repeat these farming operations several times during field management. All these will help raise the earth temperature and promote the early ripening of crops. Fourth, we should apply additional fertilizers to fields early. If we apply additional fertilizers to fields too late, the low-temperature year will be more of a hindrance than a help and will make field crops mature late. By adopting these measures, we may reduce the losses caused by natural disasters to the minimum and reap bumper harvests this year. According to the weather forecast by the meteorological departments, next year will really experience low temperatures and cold spells. We should start to make good preparations for this now and take preventive measures. After finishing sowing the land this year, we should start studying the anti-disaster issue of next year. First, we should summarize and popularize the effective anti-disaster measures of the localities, including the common measures, and do a good job in finding good ways for overcoming low temperatures and cold spells. Second, in order to spread the technology of using plastic-sheet coverings in a large area, the producers should produce more plastic sheetings for agricultural use, and provide material guarantee. Third, we should do a good job in publicity and technical training and enable the broad masses of peasants to accept and have a good grasp of these anti-disaster methods.

We should exert efforts to develop efficient farming. The general method is to increase peasants' income, regard it as the main task, and make peasants become prosperous as quickly as possible. On this issue, we must proceed from our own reality and let peasants do whatever work that can to increase their income in line with market needs. Peasants may earn 8,000 to 10,000 yuan by planting one mu of vegetables within plastic-sheet coverings, raising scores of hogs, fattening 10 cattle, and keeping 1,000 chickens. There are many ways to make them prosperous. In carrying out the planting industry or the poultry raising industry, from the long-term point of view, we should carry out intensive processing operations, and from the immediate point of view, we should find markets. We cannot resolve the issue of big development by setting up temporary stalls. To develop efficient farming, we must improve the circulation links. The reason for the popularity of grain is that all localities need it, the market demand is big, the circulation of grain is vigorous, and the price of it is high. Why are so many people worrying about raising hogs? It is because the prices of hogs have declined. However, we must not be puzzled by this phenomenon. Is the current number of hogs too big or too small in the final



analysis? It is said that the number of hogs and chickens in stock in Beijing, Tianjin, Shanghai, and Henan is declining. This is very important news. If we persist in raising livestock that other people do not intend to continue raising and developing, we will get a better price. Therefore, we must find markets as quickly as possible and protect the enthusiasm of peasants. We must develop animal husbandry and regard it as the pillar industry in rural economy. We should continue to accelerate the development of township enterprises. From a long-term point of view, the development of township enterprises is an issue of rural development, and judging from the situation of this year, it is the measure for combating disaster and saving oneself.

We should regard the implementation of the project of making people have sound housing conditions as the turning point, induce peasants to make investments, and bring along the development of the newly rising industries in the rural areas. I have gained enlightenment by viewing a new village in Zhandong and Tianquan in Anda where the people have combined the building of plastic-sheet coverings with that of houses. Our province reaped bumper agricultural harvests five years in a row. Peasants have money in their hands. How should we guide their consumption? One of the very important conditions for attaining the level of moderate prosperity is to improve the housing environment. This is considered in terms of the immediate interests of peasants. Improving the housing conditions of peasants means encouraging the shift of investment of peasants and this kind of shift is capable of bringing along the development of related industries such as the building industry, building materials industry, and the house furnishing industry in the rural areas, and will even bring along the development of the entire economy. In building houses in the rural areas, we should pay attention to planning and make the houses not only beautiful, but also practical. In developing new villages, we may separate the living areas from the production areas or combine them together, and encourage the development of courtyard economy. We do not have to worry about any disasters, be it hailstorms, low temperatures, or cold spells, if we build every small house with two mu of fields nearby and plastic-sheet coverings with four layers. We should conduct sprinkling irrigation through pipelines, carry out farming operations like a factory, make the economic efficiency from each mu of land reach 10,000 yuan or so, and guarantee good yield despite drought and waterlogging.

We should induce troubled enterprise workers in the urban areas to rural areas and encourage them to shift their profession from a farmer into a worker and to move from the urban areas to the rural areas. Many localities

have practiced this method. Now it is time for us to consciously sum up experience and to give guidance. If the urban workers want to move out, their units should give them support. We should use funds from the urban areas and shift a part of the urban workers of enterprises whose operation is suspended or brought to a standstill to the rural areas by taking advantage of the conditions that it is easier to get a place in the rural areas, the manpower is fairly cheap, and the peasants have experience in farming and poultry raising. This will solve not only the living problem of workers, but also the social stability problem. The other method is to open up a new avenue, develop the individual and private sectors of the economy as well as various economic sectors, and solve the employment problem.

Cadres should care for the hardships of the masses, try their utmost to help the masses resolve difficulties and problems in living and production, and safeguard and mobilize their enthusiasm. In essence, safeguarding the enthusiasm of the masses means safeguarding the productive forces and mobilizing the enthusiasm of the masses also means developing the productive forces. Cadres at all levels should exert greater efforts in this aspect. Recently, in addition to the problems of public security, price, and party style, there are also problems on the relocation of residents in the urban areas and the misappropriation of cultivated lands in the rural areas, on which the people have strong comments. As a result, many people have addressed their petitions to the higher level. While handling these hot issues, cadres at all levels should not make any hasty actions, and should be more patient and meticulous in carrying out ideological and political work, do more solid work, give less empty talk, eliminate misunderstanding, reduce conflicts, and dissolve contradictions. This way of doing things will be conducive not only to improving the relationship between cadres and the masses, fostering a good image of cadres, and enhancing the party's prestige, but also to safeguarding the working enthusiasm of workers and strengthening their courage and confidence in overcoming difficulties, and to economic development and the stability of the overall situation.

#### **\*Hubei Estimates Summer Oil Crop Output**

95CE0415P Wuhan HUBEI RIBAO in Chinese  
30 May 95 p 1

[FBIS Summary] Hubei Province estimates that gross output of summer oil crops will exceed 1,350,000 tons.

**Shaanxi Reinstates Office To Oversee Grain Market**

HK0806112495 Hong Kong HONGKONG  
STANDARD in English 8 Jun 95 p 6

[By Pamela Pun: "Inflation Fears Spark Return of Shaanxi Grain Watchdog"]

[FBIS Transcribed Text] In a major setback to China's freewheeling economic reforms, a northwest Chinese province has restored a government department overseeing grain purchase and supply. With approval from the Chinese cabinet and central ministries, Shaanxi government has resumed a provincial Grain Administration Bureau in an apparent bid to curb inflation, especially that of grain, according to Chinese sources. Sources said the conservative wing within the party was hoping that the experiment, in the backward northwest province, would help stabilise the economy.

Government agencies directly running the purchase and supply of grain have been dismantled in recent years, following Beijing's rush to embrace a socialist market economy. The event, reported in the News Digest, affiliated to the Shanghai-based Liberation Daily [JIEFANG RIBAO], was backed by senior leaders in Beijing.

Since 1979, China has been abolishing its more than three-decade old grain rationing and price control systems. The Shaanxi provincial Grain Administration Bureau was abolished in August 1993 and the administration was restructured into a business—Shaanxi Provincial Grain Corporation.

Last month, the provincial government decided to restore the agency after endorsement from the central government departments. The State Council, the Ministry of Internal Trade and Shaanxi provincial government had attached great importance to the resumption of the agency, the report said.

After approval by relevant departments of the central government, the bureau resumed operation on 3 May. Under the new structure, the bureau will act as a government agency to oversee the marketplaces and impose macro-control on them while the corporation will operate as a commercial entity in accordance with the market rules, the report said. The bureau intends to set up guidelines for all state-run corporations dealing with grain across the province.

The resumption of the bureau is intended to strengthen the government's monopoly on the purchase and sale

of grain and thus ease mounting inflation, analysts say. The grain administration was a creature of Stalinist policy, which began controlling grain sales in 1949. The report said the recently set up bureau was a government agency with a department-level status directly under the provincial government.

Chinese sources said the conservative wing within the party was last year pushing hard for resumption of the administration overseeing grain in all the provinces and major cities following a price hike early last year. But as a compromise reached between factions, the central leadership chose Shaanxi to pilot the scheme, sources said.

Some die-hard Maoists even recommended the resumption of grain coupons in urban areas. But the suggestion was ruled out by leaders, leaving it to the municipal governments to decide. Grain coupons were issued by the bureau as part of the country's planned economy to combat frequent food shortages and ensure ample grain supply and cooking oil for the masses. Rocketing food prices forced some local authorities to reissue grain coupons last year in an attempt to ease the social discontent. Last year at least 20 mainland cities re-issued grain coupons to enable the poor to buy cheap rice and edible oil.

**\*Sichuan Reports Estimated Spring Grain Output**

95CE04150 Chengdu SICHUAN JINGJI RIBAO  
in Chinese 10 May 95 p 1

[FBIS Summary] Gross output of spring grain in Sichuan Province may reach 10,120,000 tons, an increase of 270,000 tons, or 2.7 percent over 1994. Of which, wheat output will be 8,120,000 tons, an increase of 220,000 tons, or 2.8 percent. Gross output of rapeseeds may reach 1,360,000 tons, an increase of 230,000 tons, or 20 percent.

**\*Yunnan Reports Sugar Output, Area, Reserves**

95CE0415R Chongqing XINAN JINGJI RIBAO  
in Chinese 24 May 95 p 2

[FBIS Summary] During this pressing season, Yunnan produced 940,000 tons of sugar, an increase of 180,000 tons over 1994. The sugarcane area increased from 2.3 million mu in the last pressing season to 2.36 million mu.

**Sugar Reserves**

95CE0415S Chongqing XINAN JINGJI RIBAO  
in Chinese 28 May 95 p 1

[FBIS Summary] As of 10 May, Yunnan had stored 24,000 tons of sugar reserves.

**\*Zhejiang Reports Early Rice Area**

95CE0415Q Hangzhou ZHEJIANG RIBAO  
in Chinese 12 May 95 p 1

[FBIS Summary] As of 10 May, the early rice area in Zhejiang Province totaled 6,146,000 mu, fulfilling 47.2 percent of the planned area of 13 million mu.



### East Region

#### Fujian's Chen Addresses Teleconference

HK0706130295 Fuzhou Fujian People's Radio  
Network in Mandarin 2300 GMT 22 May 95

[FBIS Translated Text] The provincial party committee and government yesterday afternoon convened a provincial family planning conference at which they summed up the province's January-May family planning work and mobilized and arranged for the province's May-June family planning work.

On behalf of the provincial party committee and government, provincial Governor Chen Mingyi delivered at yesterday's teleconference an important speech in which he stated: We should view the situation clearly and strengthen a sense of urgency in the course of family planning work. Although we have achieved new family planning successes in the January-May period, we still have to work hard to enable Fujian to join the ranks of those excelling in the country's family planning work in 1996. This year, we're faced with the arduous task of raising Fujian's family planning rate by another 10 percent. Therefore, we should strengthen confidence and work hard to fulfill Fujian's family planning goals. The provincial party committee and government have now decided to adopt the following four measures: 1) Leaders should establish regular contacts with each and every backward family planning area; 2) it is imperative to establish a family planning-related responsibility system; 3) it is imperative to create more family planning models to encourage backward family planning areas to catch up; and 4) it is imperative to build a competent family planning contingent.

Governor Chen Mingyi called on all areas and departments concerned in the province to strictly follow arrangements and requirements formulated by the provincial party committee and government, clearly define family planning responsibilities, enhance confidence, conscientiously map out concrete family planning plans, provide effective family planning guidance, conduct family planning work in a down-to-earth manner, and strive to fulfill goals and tasks set by the provincial party committee and government in order to enable Fujian to join the ranks of those excelling in the country's family planning work in 1996.

Governor Chen Mingyi stressed: We should now make every possible effort to ensure successful family planning work in the May-June period. To this end, all areas should carry out meticulous organization work, make concentrated efforts, provide strong leadership, implement all relevant policies to the letter, carry out effective management, provide good services, and strive to raise Fujian's family planning propaganda to a new level.

We should proceed from overall interests of a coordinated economic and social development, simultaneously grasp and promote two types of production, mobilize and encourage more people to join hands in furthering down-to-earth family planning work, work hard to comprehensively fulfill Fujian's eighth five-year family planning plan, and lay a solid foundation for Fujian to join the ranks of those excelling in the country's family planning work.

Yesterday afternoon's teleconference was presided over by He Shaochuan, provincial party committee deputy secretary, and attended by a number of provincial leaders, including Zhao Xuemin, Song Jun, Wang Liangchuan, and Lu Haoran as well as Wen Pushan, Wang Ying, and Zhang Yimin, provincial family planning association president and vice presidents; members of the provincial family planning leading group; and provincial family planning association advisers.

Zhang Pingmei, provincial family planning committee chairwoman, briefed the teleconference participants on Fujian's population situation and family planning situation in 1995.

Comrades in charge of Ningde Prefecture and Nanping City also reported to the teleconference participants on their family planning situation and future family planning plans and pledged to make a success of their respective family planning work.

#### Jiangsu Province To Host High-Technology Show

OW0806082895 Beijing XINHUA in English  
0810 GMT 8 Jun 95

[FBIS Transcribed Text] Nanjing, June 8 (XINHUA) — The State Science and Technology Commission and the Jiangsu provincial government will jointly hold a national hi-tech products show in this capital of Jiangsu June 16-20.

The show will be a demonstration of some of the country's most sophisticated hi-tech achievements.

More than 4,500 projects have been arranged for the fair, 138 of which will be shown for the first time in the world, 800 have reached the advanced international level and 1,053 will be revealed for the first time in China.

The show has the support of 11 ministries and commissions under the State Council, six local branches of the Chinese Academy of Sciences, and over 2,200 colleges, scientific research institutes and enterprises around the country.

Such activities as technology transfer, business talks, projects bidding, consultancy and new product show

will be held. And a number of overseas science and technology trading delegations, corporations, chambers of commerce and representatives offices in China will be invited to attend.

#### **Jiangsu's Nanjing Hosts Film Seminar**

OW0806095395 Beijing XINHUA in English  
0918 GMT 8 Jun 95

[FBIS Transcribed Text] Nanjing, June 8 (XINHUA) — A seminar on anti-fascist films opened today in this capital of east China's Jiangsu Province.

The event is part of activities marking the 50th anniversary of the victory of the World Anti-Fascist War and China's victory in its war against Japanese aggression.

Nearly 100 representatives from China's film circle are attending the seminar, which is supported by four Chinese organizations. They will discuss subjects related to the history and present situation of producing films worldwide on the anti-fascist war. There will also be introductions to and analyses of important anti-fascist films and self-examination on the Second World War by the defeated nations.

#### **Shanghai Goes All Out for Pudong Construction**

OW0806040895 Beijing XINHUA in English  
0317 GMT 8 Jun 95

[FBIS Transcribed Text] Shanghai, June 8 (XINHUA) — This largest economic center in China plans to pour at least 12 billion US dollars into the construction of basic facilities in the Pudong New Area, the country's largest development zone, over the next five years.

Zhao Qizheng, deputy mayor of Shanghai, told a symposium that the city has invested about three billion US dollars to build infrastructure facilities in the zone during the past five years.

Ten large basic facilities projects, including water-supply and drainage works and an East Sea natural gas project, will be launched over the five-year period, Zhao said.

According to Zhao, the building of airports in China has usually been supported by government loans, but the Pudong International Airport will be constructed with funding from various channels.

The total investment in the Pudong airport will hit some ten billion US dollars. The construction will be divided into three phases and be completed in 20 years, Zhao said.

The first phase of the project, expected to be finished by the year 2000, targets a main runway and corresponding facilities, with an annual handling capacity of 12 million

passengers. So far, the requisitioning of 12 sq km of land has ended, ushering in the stage of geological prospecting and survey, Zhao said.

#### **Zhejiang's Hangzhou Welcomes 'Hotline' Calls**

OW0706133195 Beijing XINHUA in English  
1311 GMT 7 Jun 95

[FBIS Transcribed Text] Hangzhou, June 7 (XINHUA) — Most residents and even tourists in Hangzhou, the country's most famous scenic city, know the number 7074008, the mayor's special hotline, which they can dial in case of difficulties.

Since the special line was installed in 1988, in this coastal city about 200 kilometers south of Shanghai, more than 50,000 calls have been received.

The majority of the problems reported have been handled by some 40 governmental departments and agencies which are closely linked, local government sources said.

"The telephone line has become a trusted link for government personnel and city dwellers," a municipal government official said today, adding that "the calls also reflect the social situation and the public's mood, letting city authorities know what must be done."

For instance, when local residents start feeling inflationary pressures, the mayor may get an earful of demands that steps be taken to curb mounting food prices.

In recent years, the city's main water supply was affected by rising tidal waters, and many phoned the mayor to talk about the lack of drinking water. The municipal government, in response, allocated special funds for a drinking water supply project.

"Whatever the problem is, you can rely on the telephone call," the official claimed, explaining that the number of calls has been on the rise.

The three operators working the line received 10,000 calls in 1994, a 50 percent increase from 1993.

### **Central-South Region**

#### **Guangdong's Secretary Inspects Maoming, Zhanjiang**

HK0806024195 Guangzhou Guangdong People's  
Radio Network in Mandarin 0400 GMT 23 May 95

[FBIS Translated Text] Xie Fei, CPC Central Committee Political Bureau member and provincial party committee secretary, inspected on 16-22 May western Guangdong's Maoming City and Zhanjiang City where he inquired about ocean economic and industrial enterprise development and went deep into drought-stricken

Leizhou Peninsula to pay sincere solicitude to the broad masses of people.

Xie Fei has all along been concerned with aquatic products industry and ocean economic growth in coastal areas. By taking Dianbai County as an example that has rapidly carried out fishing industry structural reform and vigorously developed an ocean economy by focusing on building an ocean fishing industry, a pluralistic ocean breeding industry, many ocean breeding bases, and a market-oriented aquatic products processing industry, he noted: Dianbai County's successful practice has proven that Guangdong's ocean economic growth boasts both bright prospects and enormous latent potential.

Xie Fei also visited Maoming's 300,000-ton ethylene project, Dianbai's New World Ceramics Factory, and some other enterprises. He stated: Enterprises should rely on advanced science and technology in creating their own superiorities, measure up to requirements of building a socialist market economy, strive for more scientific research achievements, train more qualified personnel, and make greater contributions to economic growth.

Leizhou Peninsula, which has experienced nine droughts in the last 10 years, has been plagued by an unprecedentedly severe drought this year. Xie Fei is extremely concerned with Leizhou Peninsula's drought situation. By braving the hot weather, Xie Fei went deep into Leizhou City and Xuwen County, where he inspected some drought-stricken fields and held discussions with local cadres on specific drought-resistance measures and arrangements. He pointed out: Leizhou Peninsula is known for its superior agriculture. We should make every possible effort to help Leizhou Peninsula solve the problem of water shortage. The provincial, city, county, township, and town authorities concerned should show concern for and support Leizhou's agricultural development by enhancing determination and making greater efforts to help tackle the problem of water shortage that has impaired Leizhou's agricultural growth in order to enable the Leizhou people to achieve prosperity at an earlier date.

While inspecting Zhanjiang, Xie Fei said: In the course of economic development, we should first and foremost carry out reform, rely on advanced science and technology, and constantly increase input. Moreover, we should also safeguard stability and solidarity and build competent leading organs. As regards style building, we should now firmly adhere to the goal of serving the people and to the mass line, work for the interests of the people with one heart and one mind, and consult the masses as often as possible on matters of common concern.

### Guangzhou's Housing Project 'Booming'

OW0706082495 Beijing XINHUA in English  
0712 GMT 7 Jun 95

[FBIS Transcribed Text] Guangzhou, June 7 (XINHUA) — The booming of large-scale "comfortable housing" construction in this capital of south China's Guangdong Province has raised the city's average living space per capita to 9.2 sq m, the highest among the top ten Chinese metropolises.

The city plans to invest heavily in building another three large-size residential quarters within three or five years, with the construction space totalling 550,000 sq m. The housing will first be sold to people in housing difficulties.

According to the municipal government, the state will loan Guangzhou 100 million yuan (about 11.9 million U.S. dollars) this year for the construction of residential quarters. In addition, the city will collect 150 million yuan for the same purpose.

City officials expect the first group of "Comfortable Housing" residences, totalling 280,000 sq m to be completed in one year.

The officials said Guangzhou has made consistent and effective efforts in the past few years to house people with substandard housing. Some 22,000 households have already moved into new houses. Another 10,000 households will have their housing problems solved by the end of next year.

According to local statistics, the city provided 10,300 flats in 1994 alone to the people in serious housing difficulties.

The 10,000 flats made ready this year will be sold at the low price of 3,000 yuan (about 357.1 U.S. dollars) per sq m. Moreover, construction of 40 residential high-rises able to accommodate 8,000 households is being planned.

To further ease the housing shortage, the municipal government plans to invest 20 billion yuan in the next ten years in the construction of low-price or low-profit housing.

### Hainan Secretary Meets With State Council Team

HK0706130595 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 20 May 95

[FBIS Translated Text] Chen Shunheng, State Council Special Economic Zones Office [SCSEZO] deputy director, and Huang Taihe, SCSEZO's Special Economic Zones Department director, arrived to inspect Hainan on 15 May.



On the afternoon of 20 May, Ruan Chongwu, provincial party committee secretary and provincial governor, and Wang Xiaofeng, provincial party committee deputy secretary and provincial executive vice governor, met and exchanged views with Chen Shunheng and his entourage in Qiongyan Hotel's Haifeng Hall.

During their stay in Hainan, Chen Shunheng and his entourage also held talks with persons in charge of the provincial planning, industry, commerce, trade, economic cooperation, finance, revenue, agriculture, banking, and customs departments as well as persons in charge of Hainan's Yangpu Economic Development Zone. The two sides discussed and exchanged views on the province's economic construction and special economic policies.

The SCSEZO inspection team also went deep into and conducted on-site investigations in Hainan's Yangpu Economic Development Zone and inquired about Yangpu's work of inviting foreign capital and resettling immigrants.

Also present at the 20 May meeting were provincial government secretary general (Tu Zhongjun); persons in charge of the provincial planning, industry, finance, revenue, commerce, trade, branch of the People's Bank of China, and customs departments; and persons in charge of Yangpu Economic Development Zone Management Bureau.

#### **Henan's Li Inspects Xinyang Prefecture 15-20 May**

*HK0706130495 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 20 May 95*

[FBIS Translated Excerpt] Provincial party committee Secretary Li Changchun led comrades in charge of the provincial departments concerned to Xinyang Prefecture from 15-20 May where they inspected and conducted investigation and study in Huaibin County, Xixian County, Xinyang County, and Huangchuan County.

In Xinyang Prefecture, Secretary Li Changchun and other provincial leaders also called on more than 20 peasant households where they inquired in great detail about local livelihood and production as well as measures and experiences of shaking off poverty and bringing about prosperity; gave much heed to views and demands advanced by local cadres and masses with regard to the work of helping the poor; urged local cadres and masses to emancipate the mind, update concepts, enhance confidence, and explore more channels to shake off poverty and achieve comparatively well-off livelihood at an earlier date. [passage omitted]

After listening to work reports made by the Xinyang Prefectural CPC Committee and the Xinyang Prefectural

Administrative Office on the evening of 19 May, Secretary Li Changchun delivered a speech in which he stated: After a week-long tour of investigation and study, I feel that Xinyang's cadres and masses are now in high spirits, are keen on exploring new channels to eradicate poverty and backwardness, and are displaying a pioneering and enterprising spirit. Over the past few years, Xinyang Prefecture has made much headway in agricultural structural readjustment, continually raised grain output, built a large number of commodity production bases and pillar industries, and invented quite a few successful practices, such as suiting preferential policies to local conditions and letting poor villages in remote areas set up enterprises in relatively rich areas. [passage omitted]

Secretary Li Changchun concluded his speech by saying: In a period of transition from an old structure into a new one, new situations, new issues, and new contradictions are bound to crop up one after another. In view of this situation, we should further strengthen leadership, maintain a good mental attitude, and build a good image by forging ahead with enhanced solidarity, working hard in a pioneering spirit, making explorations, blazing new trails, seeking truth, and practicing pragmatism.

#### **State Firms 'Important' to Henan's Development**

*OW0706135395 Beijing XINHUA in English 1331 GMT 7 Jun 95*

[FBIS Transcribed Text] Zhengzhou, June 7 (XINHUA) — Large and medium-sized state enterprises have played an important role in developing light industry in central China's Henan Province.

Among the about 3,600 light industrial enterprises in Henan, only about 190, or less than five per cent, are state-owned large or medium-sized ones, but they've accounted for 83 per cent of the total profits and taxes in the sector.

Statistics show that in the first quarter of the year, light industry had profits and taxes totalling 448 million yuan (about 53 million U.S. dollars), an increase of 33 per cent over the same period of 1994. Local officials say that the fast growth has been helped by state enterprises.

The province has poured a large amount of money into technical innovations in these enterprises, which absorbed nearly 300 million yuan (about 35 million U.S. dollars) in 1994 in fixed asset investment.

In early June, an assembly line that can produce 200,000 refrigerators went into operation in the Xinfei Electrical Appliance Company, a leading profits maker and taxes payer in the light industrial sector of Henan Province. At present, the company is capable of manufacturing

one million refrigerators a year, making it the second largest producer in the country.

In 1994, light industry in Henan showed 1.73 billion yuan in profits and taxes, ranking sixth in China.

**Unemployment Insurance Successful in Henan**

*OW0806035095 Beijing XINHUA in English*  
*0238 GMT 8 Jun 95*

[FBIS Transcribed Text] Zhengzhou, June 8 (XINHUA) — After instituting the central authorities' unemployment insurance system since 1986, Henan Province has paid monthly stipends to 480,000 unemployed people and helped 430,000 of them find new jobs, a local labor official said today.

Those subsidized in the central China province are workers laid off from bankrupt state enterprises and other loss-making enterprises, said Wang Aiqun, an official in charge of employment affairs in the province.

Some 27,000 enterprises in the province subscribe to the insurance for their employees, which covers all employees of state-owned enterprises, and some workers in the collectively-owned, share-holding, foreign-funded, and private enterprises, he said.

The system is playing a crucial role in the reform and invigoration of the state-owned enterprises, said Wang.

There are 53 bankrupt enterprises in the province, which have made their 20,000 workers jobless so far. Some 200,000 workers in 2,000 enterprises are underpaid or not paid at all because of the poor performance of their enterprises. The number of redundant workers in Henan amounts to 810,000.

Some 190 million yuan is handed out as unemployment insurance money for those people, said the labor official.

The Henan provincial labor department has invested 20 million yuan to establish 90 training centers for the jobless so far. They have offered skill training courses for 30,000 people.

The local governments in the province have also set up more than 100 training centers and provided courses for 20,000 people annually.

Meanwhile, labor departments in the province use the insurance premiums to run 120 enterprises and businesses which have provided employment for 7,400 unemployed. Their profits and taxes reached five million yuan last year.

**Hubei's Yichang Develops Tourism**

*OW0806080695 Beijing XINHUA in English*  
*0730 GMT 8 Jun 95*

[FBIS Transcribed Text] Yichang, June 8 (XINHUA) — This city to the east of the Three Gorges on the middle reaches of the Chang Jiang River has been making great efforts to develop tourism and the endeavor has begun to pay off.

In the past five years Yichang, also the nearest city to the Three Gorges Water-Control Dam, which is now under construction, has received more than 550,000 overseas tourists.

According to local officials, the city has seized the opportunity of the construction of the giant dam and the opening-up of the Three Gorges area to develop many new scenic spots to attract tourists.

So far, the city has 340 scenic spots, a sharp increase over the figure of ten years ago, and has 94 undertakings engaged in the tourism industry, said the officials.

**Hunan Committee Studies Deng Xiaoping's Theory**

*HK0706125095 Changsha Hunan People's Radio*  
*Network in Mandarin 2300 GMT 31 May 95*

[FBIS Translated Text] From 29 to 31 May, the provincial party committee standing committee's central study group held its second session of theoretical study in 1995. Provincial Party Secretary Wang Maolin presided over the meeting and delivered a special-topic speech, and Deputy Provincial Party Secretary Chu Bo made a concluding speech. At the study session, the essentials of studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics were taken as the key teaching materials, and by grasping the aim of emancipating the mind and seeking truth from facts and centering on the main and fundamental theoretical question of what is socialism and how to build socialism, efforts were made to fully and systematically comprehend and master the scientific system of Deng Xiaoping's theory of building socialism with Chinese characteristics.

At the study session, Provincial Party Secretary Wang Maolin made a speech entitled Working Closely in Line With the Overall Situation and Mastering, As a Whole, the Scientific System of Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics. He pointed out: We must master, as a whole, the scientific system of Deng Xiaoping's theory of building socialism with Chinese characteristics. In doing actual work, we must handle well five types of relationship. First, we must handle well the relationship between emancipating the mind and seeking truth from facts. Second, we

must handle well the relationship between the building of spiritual civilization and that of material progress. Third, we must properly handle the relationship between reform and opening up and the anti-corruption drive and the call for a clean government. Fourth, we must properly understand and handle the relationship between macroeconomic regulation and control and the market economy. Fifth, we must properly understand and handle the relationship between the two basic points.

Wen Xuande, member of the provincial party committee standing committee and head of the propaganda department, and Wang Keying, member of the provincial party committee standing committee and executive vice governor, made keynote speeches during the study and discussion sessions respectively. Other leading comrades of the provincial party committee made optional remarks.

### Southwest Region

#### Guizhou's Chen Addresses Government Plenary Meeting

HK0706151495 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 26 May 95

[FBIS Translated Text] The provincial people's government yesterday afternoon convened a plenary meeting at which Chen Shineng, provincial party committee deputy secretary and governor, delivered a speech in which he emphatically called for concentrating on all key work aspects; conducting work in a down-to-earth manner; and comprehensively accomplishing this year's economic tasks.

Yesterday afternoon's plenary meeting was presided over by Wang Guangxian, provincial party committee standing committee member and provincial vice governor, and attended by Yuan Ronggui and Hu Xiansheng, provincial party committee standing committee members and provincial vice governors; as well as provincial vice Governors Zhang Yuqin, Yao Jiyuan, and Mo Shiren.

Also attending yesterday's plenary meeting upon invitation were Liu Yulin, provincial people's congress standing committee vice chairman, and Wang Siming, provincial Chinese People's Political Consultative Conference committee vice chairman.

Governor Chen Shineng stated: In order to raise agricultural output, we should firmly grasp such key links as grain, oil, tobacco, and pigs; work hard to make a success of both rush harvesting and rush planting; transplant rice seedlings and grow crops in a timely manner; strive to reap a good agricultural harvest by preventing and combating natural calamities; explore more channels for reaping a good agricultural harvest; vigorously develop a diversified economy; and accelerate town-

ship and town enterprises development. To this end, all levels and departments concerned should render unre-served support to agricultural production; further functional transformation; improve work style; and provide better services to agricultural production with a view to reaping a good agricultural harvest. The governments and departments concerned at all levels in the province should attach great importance to and make sound arrangements for the livelihood of the people in disaster-stricken areas; see to it that no abnormal situation will come about; effectively combine family planning efforts with efforts to increase peasants' income; and work hard to fulfill this year's population control quota.

Speaking of raising enterprises efficiency, Governor Chen Shineng said: Both at present and in the immediate future, we should concentrate on such key aspects as deepening reform, strengthening management, improving quality and efficiency of economic growth, and especially raising economic results and improving management of large and medium-sized state-owned enterprises over the next three years or so with an eye on fundamentally improving their efficiency. To this end, all departments concerned should provide more classified guidance and adopt effective measures to help enterprises turn losses into profits.

Governor Chen Shineng noted: In order to attain this year's price control goal, we should conscientiously implement central and provincial policies and increase the effective supply, especially the grain and vegetables supply, this being a key link. We should make every possible endeavor to increase the effective supply of agricultural production means and daily industrial necessities; establish and perfect a grain risk fund, a non-staple food risk fund, and a major goods and materials reserve system; perfect a market system; and strengthen management of commodity prices on the market.

Governor Chen Shineng stated: The strategy of furthering opening up to promote provincial development is an important decision made by the provincial party committee and government while inviting domestic and overseas funds and cooperation partners is the core of such a strategy. In view of problems that have cropped up in the course of inviting domestic and overseas funds and cooperation partners, all levels and departments concerned in the province should strive to make a success of the work of inviting domestic and overseas funds and cooperation partners by first and foremost improving grassroots operations; formulating and implementing correct policy decisions; and further improving existing systems.

Governor Chen Shineng concluded by saying: This year, we will accomplish such an important task as



formulating the ninth five-year plan and setting goals for the year 2000. Therefore, all departments concerned in the province should strengthen coordination; actively cooperate with one another; and make concerted efforts to make a success of this work.

**Guizhou's Chen Speaks at Outpost Offices Meeting**  
*HK0706145895 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 31 May 95*

[FBIS Translated Text] A provincial discussion on work of provincial government's offices stationed in other localities, which ended yesterday, pointed out: Our provincial offices stationed in other localities must submit themselves to serving the whole province's opening up-oriented strategy, base themselves on local conditions, and help Guizhou to play a still greater role in reform and opening up.

In recent years, 14 provincial offices stationed in other localities have conscientiously implemented the relevant spirit of the central and provincial authorities to carry out in a better way their fundamental duties assigned by the provincial government. Through introducing investment from abroad and establishing lateral ties at home, inviting investment and importing capital, these offices have promoted lateral economic coordination and cooperation in our province. Since last year, they have acted as a go-between, served as a bridge, organized, or were directly involved in the signing of more than 350 economic cooperation contracts valued at more than 100 million yuan. All this has produced better economic and social results. These offices have played an active and promoting role in our province's efforts to consolidate and develop regional economic cooperation, and expand opening up.

Provincial Governor Chen Shineng attended the meeting and spoke. He hoped that various offices of the provincial government stationed in other localities would conscientiously implement the spirit of the meeting, play a greater role in promoting their own development and performing their comprehensive functions, and truly serve as bridges, windows and links.

In his speech, Vice Provincial Governor Wang Guangxian called on these offices to fully understand their status and play their role in implementing our province's opening up-oriented strategy, and attach importance to their own internal reforms.

**Guizhou Meeting Reveals Huge Enterprise Deficits**  
*HK0706125195 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 31 May 95*

[FBIS Translated Text] A two-day provincial work meeting on making up deficits and increasing surpluses

ended in Guiyang yesterday afternoon. On the basis of summing up the work of making up deficits and increasing surpluses last year, the meeting set the target of the work of the whole province for making up deficits and increasing surpluses this year.

While fully affirming last year's work, the meeting pointed out that enterprises in Guizhou are facing a graver situation this year with regard to the work of making up deficits and increasing surpluses. From January to April this year, deficits totalled more than 250 million yuan, an increase of 48.93 percent over the same period last year. Total net deficits of budgetary local state-owned industrial enterprises reached more than 120 million yuan. The meeting stressed: The task of our province's work in making up deficits and increasing surpluses this year is that the number of loss makers must be 5 percent lower than last year, that deficits must drop by 10 percent, and that total profits must increase by 10 percent.

At the meeting, Vice Provincial Governor Mo Shiren emphasized: To make up deficits and increase surpluses, enterprises must first of all further enhance their understanding of increasing their efficiency; second, they must make great efforts to grasp implementation, and third, they must strengthen leadership over management work.

At the meeting, the provincial economic commission, relevant responsible departments and bureaus, and the provincial financial department signed letters of responsibility with eight enterprises directly under provincial authorities on making up deficits and increasing surpluses this year.

In addition, the provincial government has issued a document to commend and reward 11 prefectures, autonomous prefectures, and cities that have done well in making up deficits and increasing surpluses this year, including Guiyang City and Anshun Prefecture, and other enterprises under relevant departments and bureaus. With regard to Kaiyang County, where no deficit-making enterprises have ever existed for seven years running, a great honor has been bestowed on it. A notice has been circulated to criticize Zunyi Prefecture, Bijie Prefecture, Qiannan Autonomous Prefecture, the provincial metallurgical department, and the provincial medical bureau for their poor performance in accomplishing their tasks.

### Guizhou Reports on New Propaganda Channel Programs

HK0806035295 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 22 May 95

[FBIS Translated Text] The provincial government information office and Guizhou Provincial People's Broadcasting Station jointly held on 22 May a news briefing in Guiyang to report on the province's newly added channel of propaganda to the hinterland and foreign countries.

In May 1995, China International Broadcasting Station launched a new program called "Window on China" [zhong guo zhi chuang 0022 0948 0037 4514], using reports supplied by the country's provincial, municipal, and regional broadcasting stations. The reports by Guizhou Provincial People's Broadcasting Station are now used in the "Window on China" program on 23d day of each month. In addition, the Central People's Broadcasting Station has also launched "China Tour" [jiu zhou xun li 0046 1558 1559 4409], a 15-minute comprehensive program using reports supplied by the country's provincial, municipal, and regional broadcasting stations. Guizhou Provincial People's Broadcasting Station will provide news reports and special contributions to the "China Tour" program.

The provincial people's government information office and Guizhou Provincial People's Broadcasting Station have pledged to make full use of programs like "Window on China" and "China Tour" to energetically publicize Guizhou's social progress and economic growth, make Guizhou more popular at home and abroad, and invite more domestic and overseas personages to come to Guizhou to see sights, make investments, and take part in economic exploitation.

Present at yesterday's news briefing were persons in charge of the provincial propaganda department, economic affairs commission, foreign affairs office, overseas Chinese affairs office, Taiwan affairs office, nationalities affairs commission, tourism bureau, and economic and trade department, who advanced a lot of good proposals on improving Guizhou's foreign economic and trade work and vowed to help Guizhou Provincial People's Broadcasting Station improve propaganda work at home and abroad.

### Sichuan Secretary Speaks on Economic Construction

HK0706064395 Chengdu SICHUAN RIBAO in Chinese 27 Apr 95 p 1

[Article by Chen Yuehai (7115 1471 3189): "At a Provincial Meeting of City, Prefectural, and Au-

tonomous Prefectural Party Secretaries, Xie Shijie Stresses Need To Promote Development, Preserve Stability, and Concentrate on Construction"]

[FBIS Translated Text] At a provincial meeting of city, prefectural, and autonomous prefectural party secretaries held in Shehong yesterday (26 April), Xie Shijie, secretary of the provincial party committee, pointed out: Currently, party committees and governments in all cities, prefectures, and autonomous prefectures should seize the opportunity, strengthen unity, shoulder heavy responsibilities, attend to their tasks, do a solid job, concentrate efforts on construction, promote development, and preserve stability. They should also make efforts to promote industrial growth, increase agricultural output and peasants' income, reassure the people, and stabilize the situation.

Xie Shijie stressed the need to promote development by reform and opening up and to ensure stability by economic development. The overall situation in Sichuan Province is good, industry has grown, the spring-harvested grain and oil-bearing crops are doing well, and living standards have been raised. However, cadres at all levels should not be slack, but instead they should further inspire their enthusiasm, seek truth and be pragmatic, and wholeheartedly promote development. They should uphold that development is the last word; they should not vacillate, argue, or be too particular about their personal advance or retreat, but be united to try every possible means to overcome difficulties and do a good job in economic construction.

Xie Shijie pointed out that new, difficult, and hot points are bound to arise in the course of transition from a planned economy to a market economy. Party committees and governments in all cities, prefectures, and autonomous prefectures should grasp major points, solve difficult ones, and handle hot ones so as to ensure the stability of the overall situation. They should reduce peasants' burdens and not increase their burdens from one level to another. Peasants' burdens should not be increased as a result of economic construction. Party committees and governments should also do a good job among the employees of difficult enterprises by protecting their basic amenities of life as well as the pensions granted to retired employees. They should step up efforts to solve problems that should and can be solved, and do painstaking work as soon as possible to solve problems that can be avoided by doing a good job. They should resolutely deal a blow at feudal and superstitious activities in rural areas, ban prostitution, and crack down on pornography, drug trafficking, and gambling. It is necessary to uphold the correct direction of public opinion, promote healthy tendencies, and direct people by correct public opinion.

It is also necessary to persist in conducting propaganda by positive examples and enforce strict journalistic discipline.

Speaking of party building, Xie Shijie noted that leading party cadres should play an exemplary role in fighting against corruption and advocating honesty, as well as restrain themselves, their family members and relatives, and their staff members. It is necessary to strengthen the building of a clean government system and the education of party members. Moreover, we should also strengthen the investigation and handling of problems that have cropped up. On no account should we be soft-hearted toward them. We should further strengthen the building of rural grass-roots party organizations. Whether our rural bases can be consolidated and stabilized mainly hinges on whether rural grass-roots organization building can be carried out. In grass-roots organization building, a most important thing is to choose a secretary; once the secretary is chosen, he can lead the masses in combating nature, developing economy, and becoming comparatively well-off. We must unswervingly develop rural collective economy. Once collective economy is strengthened, a great deal of work can be unfolded and party organization will have unifying power.

Xie Shijie emphasized the need to intensify socialist and spiritual civilization building, do two types of work simultaneously, attaching equal importance to both, and purify social tendencies while developing socialist market economy. During their terms of office, cadres should ensure the security in their areas and do a good job in the comprehensive management of social order so as to make the ordinary people feel secure.

#### Reportage on Second Tibetan Areas Meeting

##### Meeting Opens

HK0806024395 Chengdu Sichuan People's Radio  
Network in Mandarin 1100 GMT 5 Jun 95

[FBIS Translated Text] The second Sichuan provincial meeting on affairs concerning Tibetan areas opened in Chengdu this morning. In response to the requirements set by the third forum on Tibetan work sponsored by the CPC Central Committee and the State Council last year, this meeting is an important event for studying and promoting the development and stability of Tibetan areas in this province.

Following the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and of the party's basic line, this meeting is to focus on two main themes—the development and stability of Tibetan areas in our province. We must sum up experience gained since the first provincial meeting on affairs concerning Tibetan areas, analyze the situation in

Tibetan areas, further clarify the ideas on future development, set forth tasks, heighten morale, promote unity, speed up reform and opening up, enlist support from the entire province, offer stronger support to the work, and further consolidate and develop the political situation characterized by stability and unity, thus promoting sustained, rapid, and healthy economic development in the Tibetan areas.

Song Baorui, deputy secretary of the provincial party committee, delivered a speech at the meeting. The theme of his speech was: promoting development, maintaining stability in Tibetan areas, and making new contributions to ensuring the unification of the motherland and promoting the prosperity of all nationalities.

Governor Xiao Yang gave an important speech on the question of stability and development of Tibetan areas in Sichuan Province.

Present at the meeting were leaders of the provincial party committee, provincial people's congress, provincial government, and Chinese People's Political Consultative Conference provincial committee, including Xie Shijie, Xiao Yang, Yang Xizong, Song Baorui, Qin Yuqin, and Yang Chonghui.

Also present at the meeting were Tudao Doje, vice minister of the State Nationalities Affairs Commission; Shen Maocheng, vice minister of Forestry; (Liu Junling), member of the Organization Department of the CPC Central Committee; Xie Shaoming, adviser to the State Science and Technology Commission; comrades representing the State Planning Commission, the State Economic and Trade Commission, the State Nationalities Affairs Commission, the Ministry of Public Health, the CPC Central Committee Propaganda Department, the CPC Central Committee United Front Work Department, and the Ministry of Power Industry, as well as comrades in charge of departments concerned from Sichuan Province and 12 other provinces and cities, including Shandong, Jiangsu, and Shenzhen, which are offering aid to the Tibetan areas in Sichuan.

Also present at the meeting were secretaries of prefectural party committees, prefectural heads, and officials in charge of departments concerned from the autonomous prefectures of Ganzi and Aba, leading comrades in charge of the operation to aid Tibetan areas from other cities and prefectures of Sichuan Province, officials in charge of other city and prefectural departments concerned, and officials in charge representing provincial departments concerned.

Tianbao, Zhaxi Zeren, and other veteran leading comrades who have long been engaging in nationalities affairs attended the meeting.



Qin Yuqin, deputy secretary of the provincial party committee, presided over this morning's session.

#### **Xie Views Development**

*HK0806072195 Beijing ZHONGGUO XINWEN SHE in English 1415 GMT 6 Jun 95*

[FBIS Transcribed Text] Chengdu, June 7 (CNS) — Economic exploitation of the ethnic Zang [Tibetan] area in Sichuan Province has to be carried out as soon as possible by seizing opportunity, the Secretary of the Sichuan Party Committee, Xie Shijie said today at the end of a work meeting on the area inhabited by Zang minorities.

Mr Xie was convinced that the ethnic minority area was now facing a good chance for development which was seldom seen in its history. Such chance mainly lies in intensive and extensive support and aid given to the area provided by relevant ministries and commissions at the central government level, developed coastal cities and departments at provincial level, and 20 cities and prefectures under the jurisdiction of Sichuan. The ethnic minority area therefore received a great deal of help in terms of manpower, finance and materials.

As international capital highly values the China market, China has become a popular country for international investment and has shown the quickest economic growth in the world. Under the circumstances that the practice of opening to the outside world extended from coastal to inland areas, the ethnic Zang area boasted some unique natural resources attractive to domestic and foreign investment while it was just at the early stages of opening. Following the build-up during the past several years, the area revealed an economic and technological foundation which could be beneficial for further development. Since the implementation of reform and open door policy, ideology held by Zang minorities has been largely liberated. They are now eager to see rapid development of the area, to narrow differences between their residential areas and standards elsewhere across the country, and also want to wipe out poverty.

Mr Xie said that even though the area was rich in natural resources, its development has been limited mainly due to a lack of technology, information, talent and the absence of a market. He was convinced that great efforts had to be made to enlarge openness, to increase the input of capital, technology and professionals into the area.

Sichuan itself is now trying its best to solve problems of food and clothing facing Zang area, as well as how to boost the construction of basic facilities covering energy, transport and communications. The province also needs to develop processing industries and local industry.

#### **Tibet Progresses With Socialist Market Economy**

*HK0706062895 Beijing XINHUA Domestic Service in Chinese 0708 GMT 1 Apr 95*

[Article by reporter Norbu Ciren (5012 1580 2945 0088): "Tibet's Economy Enters Phase of Thorough Linkage With Nation's Economy"]

[FBIS Translated Text] Lhasa, 1 Apr (XINHUA) — Tibet Autonomous Region, centering on the main goal of establishing the socialist market economic system, and conforming to the nationwide framework and system, has followed the way of thinking of advancing thoroughly and making breakthroughs in major areas, and has seized the opportunity to enable the reform and opening up to develop in depth, allowing the autonomous region's economy to enter the phase of thorough linkage with the nation's economy.

Tibet, which is situated in a cold place of high altitude and has poor communications, has a low degree of societal development due to historical and geographical reasons, and its economic basis is relatively backward. Since reform and opening up, under the country's vigorous support, Tibet has resolutely proceeded from actual local conditions, actively utilized the special and preferential policy granted to it by the central authorities, adopted effective measures to expedite the development of local economy of minority nationalities, and gradually realized the historic change from self-sufficiency to a comprehensive opening up. Since last year, in the course of facing the whole country, walking toward the world, and thoroughly building a modern economy, Tibet has launched a series of important reform measures in the areas of state-owned enterprises, circulation, taxation and finance, social insurance, and public housing in cities, thus taking a crucial step in establishing the socialist market economic system.

According to information, at present, while it continues to implement self-determining power for enterprises, delegating more powers to them and letting them retain profits, Tibet's enterprise reform is beginning to enter a new phase of system innovation. Last year, Lhasa Beer Brewery, one of the 100 enterprises throughout the country to take part in the pilot project in reform, actively explored changing operational mechanisms and establishing a modern enterprise system; thereafter, the quality of its products markedly improved, and it won the title of "China's star beer" in 1994. Tibet Mingzhu Stocks, the "first stocks at the roof of the world," has already issued 30 million public shares to society, playing an exemplary role in building a modern enterprise system and expediting reform of state-owned enterprises for Tibet. Regarding reform of the foreign trade system, after it merged exchange rates simultaneously with

other places in the country and implemented a floating exchange rate system based on supply and demand, became unitary, and is managed, it further improved the preferential policy encouraging exports and strengthened macroregulation and control and standardized management. With emphasis on unemployment insurance, the social insurance system further expanded its coverage and practiced centralized planning for all staff and workers of state-owned enterprises, state organs, and units owned by the whole people; it reformed the method to calculate and distribute old age pensions, strengthened the regulatory function, and upgraded the standard of collectivized service. Reforms in the areas of urban housing and prices also made progress, and the new taxation system operated smoothly.

In the course of connecting its economy to that of the whole country, Tibet's links to the market is substantive. Since last year, pursuing the goal of building a unified, open, competitive, and orderly commodity market system, Tibet has encouraged the development of individual and private economies, steadily promoted price reform, and lifted restrictions on the selling prices of grain, edible oil, and tea. For the sake of strengthening macroregulation and control, it has established a materials reserve system and a risk regulation fund, and beefed up state-owned business' role in being the main channel for operating a small number of commodities and materials. There are over 200 commodities markets of various kinds, and Tibet has strengthened market economy mechanisms, adjusted the economic structures of agricultural and pastoral regions, and begun to establish a number of important markets which mainly sell agricultural and animal products. At present, a new commercial and trading pattern has begun to take shape.

At the same time, to ensure that its economy can link to that of the whole country, Tibet has further expedited construction of economic and basic facilities. Particularly in the areas of investment in fixed assets and reform of capital construction management, Tibet has thoroughly adopted the methods used in the whole country, as well as prevailing international methods, to enable the effort to attract funds and technology from abroad and foster ties at home to make new headway. Last year, Tibet entered agreements on importing funds amounting to 1 billion yuan and \$20 million. Thanks to firm actions, flexible policies, and appropriate steps in economic reform, last year Tibet's economic development was faster and its vitality was the fullest in history; GNP for the whole autonomous region increased 8.6 percent over the previous year, and its economic strength increased.

### Tibet's Women's Status on Rise

OW0806022195 Beijing XINHUA in English  
0150 GMT 8 Jun 95

[FBIS Transcribed Text] Lhasa, June 8 (XINHUA) — Toinzhub Zholma, the first woman tourist guide in Tibet, a place known as the "Roof of the World" in southwest China, has been appointed deputy general manager of the China International Travel Service's Tibet branch.

The municipal foreign trade company in this capital of the autonomous region, recruited 30 female college graduates of Tibetan nationality last year and sent them to industrially-developed coastal cities in east China for professional training.

So far, women account for 48.5 percent of the total workforce in Tibet. They enjoy equal rights in payment, education and promotion as their male partners.

In agricultural and pastoral areas over 60 percent of the labor force are women. Some of them have made fortunes by opening township-run factories or service companies.

Tibetan women are also found in such fields as scientific research, sports and health work, literary and artistic creation, and have remarkable achievements.

In order to protect the physical and mental health of women and children the government has taken measures to meet women's special needs during menstruation, pregnancy and childbirth. They enjoy maternity leave on full pay and are given consideration in the form of material privileges.

This was unimaginable in pre-liberation days. Tibetan women were discriminated against as the "low-born" of humanity in old Tibet under the feudal system.

The reasons behind this prejudice were simple. Local people believed women to be "witches", "demons", "unlucky creatures" and "incarnations of catastrophe".

As a result, they were deprived of the right to work, to receive education or to enter the shrines and scripture halls of noble families.

After the peaceful liberation of Tibet in 1951, and especially since the democratic reforms of 1959 the status of Tibetan women has undergone a fundamental change.

The regional government has adopted a dozen regulations on the protection of the legitimate rights and interests of women over the past 30 years.

When the local government contracted public grazing land and livestock to individual households in the early 1980s women got equal shares with males.

In view of the fact that many Tibetan women remain illiterate with some elderly women in pastoral areas still not knowing how to write their own names, a large number of evening schools and short-term training courses have been opened in various parts of Tibet to help women acquire cultural and modern agricultural knowledge.

More than 70 percent of illiterates in Lhasa and Shannan Prefecture have learned to read and write. Some capable women have become dab hands at modern farming.

With their economic status raised, they have a greater say in their families. A random survey recently conducted in Lhasa showed that 82 percent of the couples surveyed got married on their own initiative (and not through family arrangements). Nearly half of the respondents said spending on expensive durables in the family is decided upon through consultation between husband and wife. The mothers in one third of the families are the decision-makers as to whether their children will continue their studies or not after graduation.

Of the 400,000 households in Tibet, 9.57 percent are headed by women, a figure higher than the national average.

#### **Work Begins on Tibet Promotion Center**

OW0806081595 Beijing XINHUA in English  
0802 GMT 8 Jun 95

[FBIS Transcribed Text] Beijing, June 8 (XINHUA) — A cornerstone-laying ceremony was held here today for the construction of the Tibet Mansion, a major project undertaken by Beijing to aid the Tibet Autonomous Region.

Attending the ceremony were Ngapoi Ngawang Jigme, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and Beijing Mayor Li Qiyang.

East of the Beijing Asian Games Village, the mansion is designed to have a total floor space of 24,000 sq m, and will be built at a total cost of 200 million yuan.

When completed in June 1997, the mansion will serve as a window of Tibet to carry out economic co-operation with other parts of China, and seek investment from the rest of the country and the world. It will also accommodate visitors coming from and going to Tibet.

Addressing today's ceremony, Deputy Mayor of Beijing Zhang Baifa said that Beijing will provide a construction site and part of the construction funds for the building.

China's central government will provide most of the financing for the mansion.

### **Northeast Region**

#### **Jilin Secretary Views Youth Contributions**

SK0706122295 Changchun JILIN RIBAO in Chinese  
4 May 95 pp 1, 4

[Speech by He Zhukang, secretary of the Jilin Provincial CPC Committee, at the provincial forum of excellent young professionals to suggest ways and means for Jilin's economic and social development on 3 May]

[FBIS Translated Text] Comrades:

On the eve of the "May 4th" Youth Day, the provincial Communist Youth League Committee, the provincial youth federation, and the provincial young entrepreneurs association cosponsored a forum to organize excellent young representatives from all fronts to suggest ways and means for Jilin's economic and social development. This is very good. Commemorating the "May 4th" Movement in this way is substantial in content, gives great impetus to the current work toward the youth, and directly has educational significance. On behalf of the provincial party committee and government, I take this chance to sincerely extend festive greetings to the young people present at the forum, including young scholars, young entrepreneurs, young scientists, and young workers; and also to ask you to pass my greetings to all young people of the province.

Several comrades made good speeches just now. They approached from various angles to make valuable opinions and suggestions on accelerating Jilin's economic and social development. The issues mentioned in their speeches were major issues relating to reform, development, and stability as well as realistic issues that the provincial party committee and government have paid great attention to. We gain a good deal of aspirations from their speeches to further study these issues. I will take this opportunity to talk about three issues as follows:

#### **1. The Question of How the Youth of the Present Age Grasp the Opportunities of Their Own To Take Accurate Paths of Growing Up and Becoming Professionals**

How to select the way of life, to accurately portray themselves, and to make themselves become the professionals needed for building the great cause of building socialism with Chinese characteristics is the basic issue that the vast number of young people should grasp in the course of growing up and becoming professionals.



To this end, the vast number of promising young persons have given accurate answers with their behavior. The excellent young representatives present at this forum are explorers with achievements. Your career of growing up and becoming professionals has provided extremely beneficial aspirations for us. I think that the common characters of the excellent young representatives here are factors that the youth of the current age should have in order to grow up and become professionals.

First, a strong sense of responsibility to the times. Your career of growing up and becoming professionals and several comrades' speeches indicate that you clearly understand the special features of the current age and your heavy tasks. The age that we are in is an extremely extraordinary one. Building socialism with Chinese characteristics is an unprecedented cause as well as a historical mission entrusted to us by the times. To fulfill this great cause, we must give full scope to the youth's role as a new force and a shock brigade and must rely on the people of the younger generation to inherit and pioneer this cause. I think that you are aware of this; and are able to consciously link your individual aspirations and prospects closely with the rejuvenation of the state and the nation and with Jilin's economic and social development, to have lofty aspirations, to work hard to make yourselves strong, and to work indomitably for the cause. Ardently loving your jobs, constantly improve our work, and seizing every minute reflect your strong sense of responsibility to the times. Under the conditions of the current age, you display again the traditional virtue of "every man being responsible for his country." Such a sense of responsibility is peculiarly a kind of extremely valuable spiritual force in the historical age of great social reform. Only when we have such a sense of responsibility will we be able to gain strong internal motivation to grow up, to become professionals, and to bravely face challenges. With such a sense of responsibility, we will not be able to drift along, blame everyone and everything but ourselves, have no thinking to keep forging ahead, or wait for favorable chances. With such a sense of responsibility, we will be able to fully realize our social value, to consciously promote social reform, and to comprehensively make contributions to social progress.

Second, study hard and be diligent in thinking. The spirit of consciously making self-improvements is an internal condition for the youth to grow up and become professionals as well as a basic point for accomplishing something. Due to various reasons, some of the excellent young representatives here did not accept regular education, and some even did not have opportunities to attend universities.

However, comrades have been able to bear work practice in their minds; to engage in study painstakingly; to learn from books, practice, veteran comrades, and middle-aged comrades; to continuously carry out self-development; to apply modern scientific knowledge to enriching themselves; and to vigorously obtain the capability of serving the people and of building up the motherland. Thanks to studying in the course of practice and studying by bearing reality in their minds, many comrades have displayed the characteristics of firm combination between theory and practice and of high rate in turning their knowledge into usage. This point has found expression in the effects and means to be keen in ideology and to be strong in analyzing and dealing with practical problems. Currently, we particularly need the spirit of seeking genuine knowledge. In conducting reform and opening up and developing the socialist market economy, there is a large amount of new knowledge for us to study and a large amount of new problems for us to explore and deal with. It is impossible for us to accomplish much without the spirit of engaging in study and research painstakingly.

Third, we should have a firm and correct political orientation. Every youth must have a firm and correct political orientation, firmly believe the party's leadership, uphold the party's basic line, and resolutely follow the road of building socialism with Chinese characteristics, if they want to become the useful personnel of the motherland. All comrades present at the forum have been nurtured and educated by the party for many years, have experienced the 10-year turmoil, have witnessed the consequence resulting from the evolution in Russia and the East European countries, and have heartily known well the simple but important principle in which there is no way for China to do anything without the CPC leadership and it is impossible for China to become wealthy and strong without it. Just because of this, comrades have had firm confidence as well as boundless power and fearless courage; have unswervingly upheld the party's basic line; and have always united as one with the party. The success made by comrades has again shown that upholding or having a firm and correct political orientation represents a decisive factor of promoting youth to grow up and to become talented and also a core content in the healthy growth of youth. Currently, all young comrades should uphold the principle of applying Deng Xiaoping's theory of building socialism with Chinese characteristics to arming themselves and take the scientific world outlook and the outlook on value to analyze problems in China. They should also treasure very much the achievements scored in reform, opening up, and modernizations; put at all times the interest of the party and the people on the first position; vigorously serve the motherland and the people;

and should consciously safeguard the whole situation of reform, development, and stability.

Fourth, we should adopt an attitude of aiming high and of being happy to make contributions toward life. Comrades have been able to concentrate all efforts on study and work and often give up their rest hours for their career. Some have upheld the return to their motherland after their overseas studies and worked industriously under the relatively arduous conditions. Some comrades have scored very great achievements and contributions though the levels of their wages and livelihood have not been very high. Such acts of selfless contributions has shown that comrades are harboring a correct outlook on life and regarding the success in their careers as the largest pleasure in their life. It extremely deserves praise for them to uphold such an attitude toward life with regard to being happy to make contributions under the pounding caused by the great tide of the market economy. Only by upholding such an attitude toward life can they consciously become the new "four haves" successors of socialism.

Fifth, we should boldly engage in practice and always keep close ties with the masses. Outstanding young professionals present at the forum have cursorily read many domestic and foreign codes and records. Some have written plenty of books and been full of heavy scholar spirit. Meanwhile, they are good at reading the invisible book without characters. This means the large book of social practice. Although their experiences gained in farming, plants, and the Army have enabled some comrades to lose the regular education in schools in the period; they have fully viewed the monumental work of social life, looked into the details of social life, shortened the distance and estrangement with the masses, and have drawn from the social life the wisdom and power to wage struggles and to create something new. Conditions and experiences gained in the special historic period have tempered these comrades to express the feelings of being simply and of being deeply concerned about their country and people, to display the spirit of making unremitting efforts to improve themselves and to make progress, and to possess the unitary insight to the society and life and the sense of conscious responsibility.

This is the spiritual force to encourage the people to become professional through struggle, and it has provided a relatively good reference system for vast numbers of youth to become professional through struggle. As indicated by the practice of excellent young professionals, to become professional, youth of the present age cannot divorce themselves from the practice of reform, opening up, and economic construction and must maintain close ties with the masses.

## **2. The Question of How To Value and Train Young Professionals in the New Period of Reform and Opening Up**

As everybody knows, the occurrence of professionals is closely related to the development of the times. Different times need different professionals, and, meanwhile, different times bring up different professionals. The age we are in today is one featured with great change and great development as well as one in which professionals come forth in large numbers. In the world that is about to stride into a new century, new patterns are replacing old ones. Related with this change, China has already entered an extremely important period characterized by historical transition and development. The times need and are calling professionals. To meet the challenges from the new century and to accomplish the historical mission of the socialist modernization, we must vigorously train and bring up transcultural professionals, young professionals in particular, in line with the demands of the times. As the most creative part of professionals, young professionals are not only a vital new force to carry out reform, opening up, and economic construction but also constitute the hope in the future. Hence, it appears extremely important and urgent to pave the way and create conditions for youth to become professional. Party committees and governments at all levels should exert great efforts in this work by regarding it as a strategic task.

First, the plan on professional engineering should be drawn up rapidly. Training professionals is a major issue as well as systems engineering, and the training of young professionals is all the more essential. Now, the provincial plan on professional engineering is under way. This plan is being formulated in line with the practical demands of reform and construction and with the overall strategy on economic and social development. Meanwhile, in accordance with the objective law on the growth of professionals, this plan will lay emphasis on the foundation, be geared to urgent demands, and also give consideration to long-term demands. In general, we should regard the training of professionals, young professionals in particular, as an essential part of the overall project of building Jilin into a developed border and coastal province and should make the process of building Jilin into a developed border and coastal province become the process in which all types of professionals can display their abilities to the full and young professionals come forth in large numbers.

Second, greater efforts should be made to form a social media environment in which knowledge and professionals, including young ones, are respected. We should give wide publicity to the important role played by knowledge and professionals in developing

the socialist market economy so that the people will further understand the tremendous social value peculiar to knowledge and professionals. We should protect young professionals and intellectual property rights and mobilize the initiative of large numbers of young intellectuals and the professionals of all types. We should commend advanced deeds of professionals of all types, young ones in particular, to encourage them to scale new heights again. We should get rid of all the ideas, concepts, rules, and bad customs that prevent young professionals from becoming professional and should create the environment of equal competition to enable youths to bravely shoulder heavy loads, to temper themselves further in practice, and to show their abilities early.

Third, incentive mechanisms should be established and perfected to bring up more professionals among youth and make them score more achievements. We should encourage young professionals to achieve more results; should, in personnel systems, let existing young professionals give full play to their role; and should, in policy, give handsome rewards to the professionals making outstanding contributions so that the youth longing for becoming professional will be able to march toward their goals and the youth who have already been specialized in a certain field will be able to concentrate all their energy on creativity. We should care for and cherish young professionals in all fields and positively help them resolve problems in ideology and understanding and resolve practical difficulties in their study, work, and livelihood.

Fourth, the vast number of old and middle-aged comrades should bring into play their functions for cultivating professionals. The vast number of old and middle-aged comrades have exerted gigantic energies to cultivate young professionals. This is the most significant contribution to the province's development and progress. From now on, the growth of young professionals is still inseparable from the enthusiastic support of old and middle-aged comrades. The old and middle-aged of today were the young of yesterday and the day before yesterday. I believe that as one who has had experience in this respect, we will be able to know the importance of cultivating professionals and also consciously make efforts in this regard. On no account does our stress on cultivating young professionals mean that old and young professionals are not important. Our target is inheriting the past and ushering in the future and having successors to carry on our cause. Therefore, bringing into play the functions of young professionals is a process in which old, middle-aged, and young professionals should make concerted efforts to bring their

functions into full play and in which they should do their best and play their roles.

### **3. The Question of Accurately Grasping the Main Situation and Making New Contributions to Reform, Development, and Stability**

The core of the major task of the whole party and the whole country is development. Firmly grasping favorable opportunities and continuously accelerating the pace of development is the work priority of the whole province. The work in other aspects should be based on development and the realization of the strategic target of building a developed border and a coastal province. In doing our specific work, we should realistically pay attention to the following few issues:

First, accurately handle the relationship between reform, development, and stability. In a general sense, reform is motivation, development is a target, and stability is a prerequisite. These three aspects are consistent and unite with one another. Now, we have entered the new phase of comprehensively promoting reform, changing mechanisms, and creating new systems. Therefore, prominent social contradictions restrict reform and development. Therefore, we should grasp well stability and deepen reform and accelerate the pace of development on the premise of stability. Young comrades should cherish the stable and united situation that has taken shape since the third plenary session of the 11th party Central Committee, approach from the angle of the overall situation to accurately understand and treat the temporary difficulties and problems surfacing in reform, and smoothly promote reform and development. We should form a smooth, orderly, and vigorous social environment suitable to the phase of tackling the most difficult problems in reform and to the development of the high-quality economy so as to promote a sound development of the economy. Our stress on development does not simply mean the increase in quantity but the improvement in the economic growth quality. Our stress on economic results means the integrity of quantity and quality. Only when development is accelerated and quality is upgraded will the material foundation for reform and stability be improved. Thus, we are required to enhance the sense of urgency for development and to upgrade the development level in a higher and newer sense. To achieve this, we must strengthen the dynamics of reform and obtain suitable mechanisms for development. The more deeply the reform is going and the more difficult the operation becomes, the more we should carefully pool the concerted efforts of all fronts. Young comrades should offer their wisdom and intelligence to promote the work in this regard. In short, the overall situation is a united body. To grasp the overall situation, the young people of



the province should accurately understand the relationship between reform, development, and stability; and be pioneers in reform, vanguards in development, and models in safeguarding stability.

Second, we should work out an overall plan with a view on building a developed border and coastal province and on basically attaining the relatively well-off project by 1997. If manifested in the work of our province, submitting and orienting to the overall task on the work of the entire party and the entire country and appropriately handling the relations among reform, development, and stability precisely mean rapidly building Jilin into a developed border and coastal province and basically accomplishing the relatively well-off project by 1997. This is the unification of the overall task on the work of the entire party and the entire country with the reality of the province's work. It embodies and contains the wisdom of young and middle-aged intellectuals in the province, and some of the comrades participating in this forum also directly participated in appraisal of strategy and goals. We all the more rely on the vast numbers of youth, young professionals in particular, to fulfill this development strategy as well as our goals and tasks. The vast number of youth in the province should regard the projects of building Jilin into a developed border and coastal province and making the people relatively well-off as the place to display their abilities, talents, and ambitions and should positively plunge themselves into this magnificent undertaking. We hope that the vast numbers of youth in the province will make contributions to this undertaking and will, in particular, continuously struggle for pushing the province's economy onto another new height in three years and for basically fulfilling the relatively well-off project in 1997.

Third, the activity of building spiritual civilization should be launched in a profound way. As the most vivid force in social activities, youth should not only positively plunge into the main battlefield of economic construction but also enthusiastically promote the building of spiritual civilization. Launching the activity of building the socialist spiritual civilization among youth constitutes the basic project of the socialist modernization drive and has the great significance of affecting and deciding the future of the country and the destiny of our nation. Hence, we should launch the activity of building spiritual civilization in an even more extensive, penetrating, and fruitful manner, on the basis of summarizing experiences. We should firmly and unswervingly conduct the education on patriotism, collectivism, and socialism, carry forward the pioneering spirit of the new period, inherit and carry forward the fine traditions

and virtue of the Chinese nation, reaffirm ideals and beliefs, and enhance our ideological and moral quality. We should deeply launch the activities of learning from Kong Fansen and other exemplary figures and foster the socialist outlook on life and value what is compatible with the demand of human progress. By taking an active part in such social public welfare activities as the "hope project," the "greening project," and the "aid-the-poor project" and by strengthening the building of enterprise, campus, and residential community culture, we should purify the atmosphere of society, boost popular morale, improve the quality of the whole people, young people in particular, and promote the all-around progress of society. Communist youth league organizations and youth federations should all the more organize some feasible activities in this aspect to carry on the building of spiritual civilization in a vigorous and realistic manner.

Comrades, we are now facing a new scientific and technological revolution and new industrial revolution. From now on, illiterate people not only include those who are unable to read but also include those are unable to study and think deeply. In this forthcoming new century, with information and knowledge as its central resources, there will be increasingly more opportunities for the young people to become professional and to put their abilities to good use, while new challenges will also emerge along with opportunities. We hope that the excellent young professionals participating in this forum will carry forward the good work style of being diligent in study, being good in pondering, being brave in practice, and being bold in struggle; will continuously absorb new knowledge, new nourishment, and new skills; will better display their abilities, talents, and ambitions in the great practice of building socialism with Chinese characteristics; and will bring along all the young people in the province to grow up healthily and advance bravely amid the rapids.

Lastly, I would like to wish you a happy holiday!

#### **Zhang Dejiang Appointed Jilin Party Secretary**

*HK0806065095 Beijing XINHUA Domestic Service in Chinese 0926 GMT 6 Jun 95*

[FBIS Translated Text] Beijing, 6 Jun (XINHUA) — The CPC Central Committee has decided that Comrade Zhang Dejiang be appointed secretary of the Jilin Provincial CPC Committee, and that Comrade He Zhukang will no longer assume the posts of secretary of the Jilin Provincial CPC Committee or member of its Standing Committee.

**Further Reportage on Li Teng-hui's U.S. Visit**

**Article Refutes Li's Remarks**

OW0706162895 Beijing XINHUA Domestic Service  
in Chinese 1328 GMT 7 Jun 95

[Article by Hua Xiazhi (5478 1115 0037): "Li Denghui Must First Understand What Is Called China" — XINHUA headline includes the author's name]

[FBIS Translated Text] Beijing, 7 Jun (XINHUA) — On 28 May this year, Li Denghui [Li Teng-hui] made a speech in Taiwan Province's Tainan City, in which he said, "Chinese Communists assert that Taiwan is part of the mainland. Such assertion is unacceptable. Chinese Communists never set a foot on Taiwan, much less collect taxes in Taiwan. The Republic of China [ROC] has a history of 84 years while Chinese Communists have only one of some 40 years. It should not be hard to tell who is the 'dad' and who is the 'son'. Chinese Communists refuse to recognize the fact that the two sides of the strait are split and ruled under separate regimes, declaring Taiwan as part of the mainland. This is an analogy of a son fighting for inheritance while the father is still living and in good health. It is necessary to recognize the fact of separation before reunification can proceed." Li Denghui has often uttered these remarks in recent years, especially since March 1994 when he talked to Ryotaro Shiba. We deem it necessary to debate with Li Denghui on these remarks which involve the principle of "one China" and other major issues related to peaceful reunification.

(1) Here, the author would first like to clarify a fact: The CPC and the Chinese Government never say "Taiwan is part of the mainland," but rather, have solely declared that Taiwan is an integral part of China. Li Denghui has surreptitiously changed the concept on purpose, distorted the original meaning, and misled the Taiwan compatriots; he owes an apology to the Taiwan compatriots.

After Li Denghui reads the aforesaid by this author, he may defend himself by saying: When I said "Taiwan does not belong to the mainland" and "Taiwan does not belong to Chinese Communists," I meant "Taiwan does not belong to the PRC." This remark, by the same token, is also absolutely wrong; and it seems to indicate an inability to distinguish between a country and its name, but actually it is a deliberate remark to confuse the fact that Taiwan is an integral part of China.

A country must have a name. The name of a country can be changed. In fact, a fairly large number of countries have a history of changing their national names. However, the common name of a country is not needed for the identity of national character. A

country can change its name but it will not lose its identity. Especially in countries with a longstanding history, the changes of political power in history can affect the nature of the country but will not affect the continuation of that country's national character. China has ascended to and existed in the world for as long as 5,000 years, during which it has experienced many changes of political power. The so-called changes of dynasties invariably occurred under the condition that China continued to exist as an entity but only with a different name. The Xia, Shang, Zhou, Qin, Han, Song, Yuan, Ming, and Qing dynasties, as well as the ROC from 1911-1949 and the PRC since 1949, are all names that China has used and changed successively; and they do not indicate changes in China as an entity. China always stands erect as a unified country in the world.

From the angles of history, legality, and international recognition, it has always been clear and indisputable that Taiwan is an integral part of the Chinese territory. The name of China today is the PRC. Therefore, by the same token, it is without doubt and indisputable that Taiwan is an integral part of the PRC's sacred territory. That "Taiwan is not part of the PRC" is untenable. It is extremely dangerous for Li Denghui and the Taiwan authorities to refuse to recognize that the PRC is the sole legitimate government representing China and to deliberately confuse the fact that Taiwan is part of the Chinese territory. If they stick to their way, they can only wallow in the mire with the elements of "Taiwan independence."

Li Denghui is also extremely wrong in confusing Taiwan's position under the pretext that the PRC Government never set up an administrative organ and collected taxes in Taiwan, i.e., never exercised administration there. Since 1949, the Chinese Government has never exercised administration in Taiwan because the Taiwan authorities have rejected reunification under the United States' deliberate protection. Furthermore, once the reunification is realized under the concept of "one country, two systems" and under the premise of a unified country, the central government will not dispatch administrative personnel and troops to Taiwan, nor collect a single penny of taxes in Taiwan; it will become a special administrative region, and have the administrative, legislative, and independent judicial powers and final adjudication; and it can sign commercial and cultural agreements with foreign countries. All of these will not deny Taiwan's position as part of China. In the 50 years from 1895 to 1945, because of the Japanese imperialists' forcible occupation of Taiwan, the Qing Dynasty and the Republic of China Government could not establish administrative organs and collect taxes in Taiwan. In 1945, however, the Chinese Government re-

covered Taiwan all the same. The basic truth is Taiwan is part of China.

(2) Li Denghui said "the Republic of China" is the father, and the People's Republic of China is the "son." He also said the "son" robbed the "father" of the inheritance right while the "father" is still living and in good health. This is a preposterous remark that ignores history and facts.

From the time of the first Opium war in 1840 to the founding of the People's Republic of China in 1949, the basic problem that the Chinese people wanted to solve was anti-imperialism and anti-feudalism. Whoever was able to lead the Chinese people in solving this basic problem would win their support. After 1946, the Guomintang [Kuomintang], in collusion with the United States, sabotaged unity and alliance and suppressed the people. Its rule became more corrupt with each passing day. It suffered a thorough defeat in the anti-communist and anti-popular civil war it unleashed itself. The CPC, from the time it was formed, has consistently waged a brave and arduous struggle in China against imperialism and feudalism, finally won the victory of the people's revolution in 1949, and established the People's Republic of China. This is the most important event of Chinese modern history and has had a far-reaching influence on the process of social development in China. The Taiwan authorities have never been willing to accept this history and the current state of affairs and have resisted reunification from beginning to end. This constitutes the most profound reason why Li Denghui dished out the "father-son theory." According to this theory of Li Denghui, the Chinese people had no justification to overthrow the reactionary rule by imperialism, feudalism, and bureaucratic capitalism, and to seek emancipation. According to this theory of Li Denghui, the Chinese people also had no justification to overthrow the decadent rule of the Qing Dynasty in 1911; Mr. Sun Yat-sen also had no justification to "overthrow the monarchical system and establish a republic;" Chinese society should remain forever stagnated and make no progress. On this issue, Li Denghui has lost the most rudimentary vision of history, becoming one who advocates social retrogression.

The main body of China, which has a 5,000-year history, has always been on the mainland. After overthrowing the reactionary rule of the KMT, the Chinese people established the PRC, proclaiming the death of the ROC. After the Chiang Kai-shek clique fled to Taiwan, although it went all out to maintain its organs of political power with the support of anti-China forces from the West, it can no longer exercise sovereignty over China nor can it represent China. From the angle of international law, the result of the victory of the

Chinese people's revolution in 1949 can serve as an actual example of governmental inheritance according to international law. The government of the PRC has inherited all the rights of China. This is the basic reason why more and more countries, 160 until now, have established diplomatic relations with the PRC, and they recognize that there is only one China, that Taiwan is a part of China, and that the government of the PRC is the sole legitimate government of China. This is the basic reason the United Nations General Assembly restored the legitimate seat of the PRC Government in the UN in 1971. In contrast with China's history and present conditions, Li Denghui's remark that "the son robbed the father of inheritance rights while the father is still living and in good health" is idiotic nonsense and most stupid.

(3) In recent years, the Taiwan authorities have exerted their utmost to publicize their propaganda, saying "one China" has ceased to exist, that China has been split and the two sides of the strait are ruled by two equal political entities; that "the Chinese Communists must recognize the ROC in Taiwan as a fact and recognize that the two sides of the strait are separated and ruled by different regimes," and that the issue of reunification can be discussed only after this recognition.

What is meant, after all, by "the two sides across the strait are separated and ruled by different regimes" as claimed by the Taiwan authorities? What, after all, do they want people to recognize?

First, they want people to recognize that the "ROC," overthrown since the founding of the PRC in 1949, is still an independent sovereign country. But Li Denghui, sensing that not many people in China and the world will believe such a claim, created the theory that "the ROC in Taiwan is an independent sovereign country." Sometimes he spoke in unequivocal terms. For example, in 1991 twice he said: "Taiwan has long become an independent sovereign country, and the country name is called the ROC." This is simply an attempt to make Taiwan an independent country.

Second, they want people to recognize Taiwan as an independent political entity. They themselves offered an explanation, saying "the meaning of the term called 'political entity' is quite broad. It may mean a country, a government or a political organization" (See the "Book on Explaining the Relations Across the Taiwan Strait"). The Taiwan authorities not only want other people to recognize them as a political organization, what they want is the status of a country and government.

Third, they want people to recognize that the two sides of the strait are "two equal political entities, two political entities without subordinating to each other." Moreover,



these two political entities "enjoy their respective ruling power." Ruling power is the most important power of state sovereignty and the highest internal property. On 29 June 1994, Li Denghui straightforwardly said, "the basic state of affairs now is that two political entities on the both sides of the strait are exercising sovereignty in areas under their effective control." Therefore, what Li Denghui advocates is, in fact, "two Chinas."

Fourth, they want people to recognize that the two sides of the strait are "two international legal persons coexisting in the international arena." The subject of the so-called international person is an independent country with complete sovereignty recognized by the international community.

Thus, we can see from the above that "the two sides of the strait are split and ruled under separate regimes," a proposition which Li Denghui wants people to recognize, is, in essence, aimed totally at splitting and sharing Chinese sovereignty and creating "two Chinas" or "one China, one Taiwan." Recognition of such a proposition "the two sides of the strait are split and ruled under separate regimes" is absolutely out of the question. Recognition of this proposition can only lead to real split. How can "reunification" be achieved?

(4) What Li Denghui has done in recent years is contrary to the principle of "one China." Shortly after becoming the leader of the Taiwan authorities, Li Denghui insincerely talked about "one China." Later he gradually revealed his true thinking and, in defiance of the fact, even contended that he "had never talked about one China." Rejecting reunification, Li Denghui has desperately tried to turn Taiwan into an "independent political entity." Therefore, he regards the principle of "one China" as the biggest obstacle to the creation of "two Chinas" or "one China, one Taiwan"; and has tried by hook and by crook to assault and vilify the principle of "one China." This has led him to go farther and farther on the road of toward splitting.

Li Denghui once said, "Before discussing Taiwan's policies or national reunification, we must first study what is called Taiwan." This author would like to remind Li Denghui that he must first understand what is called China and what is called "one China!" He must not again say "'China' is also an ambiguous and vague term," "'sovereignty' is a dangerous vocabulary," (and) "the basic idea is that (Taiwan) must belong to the people of Taiwan." Taiwan is part of China and belongs to the entire Chinese people, and this is the most basic truth that each and every Chinese must understand!

### Qian Weichang on Visit

OW0806110195 Beijing XINHUA Domestic Service  
in Chinese 1519 GMT 7 Jun 95

[Interview with Qian Weichang, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the China Council for Promoting Peaceful Reunification, by reporter Duanmu Laidi (4551 2606 0171 1229) on 7 June; place not given]

[FBIS Translated Text] Beijing, 7 Jun (XINHUA) — In an interview with this reporter, Qian Weichang, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the China Council for Promoting Peaceful Reunification, said this afternoon that the fact the U.S. Government has broken faith with others and gone back on its words by allowing Li Denghui [Li Teng-hui] to visit the United States is a breach of the basic norm governing the international relations.

When talking about the U.S. Government allowing Li Denghui's visit to the United States, Qian Weichang was filled with immense moral indignation. He said: It is an inglorious thing for the U.S. Government to allow Li Denghui to visit the United States under the name of "personal visit." The U.S. Government has gone back on its word. Several days before Li Denghui's visit was announced, Assistant Secretary of the State Lloyd said that the U.S. Government would never agree to a visit to the United States by Li Denghui. Hardly had his voice faded away, the U.S. Government went back on its words. Does it have any international creditability to speak of?

Qian Weichang indignantly said: The U.S. Government not only deviated from and gave up on the fundamental principle of the three Sino-U.S. joint communiques but also departed from the most fundamental norm governing the international relations. It has lost the dignity as a big country. China has always stressed good faith, while the U.S. Government has gone back on its words and slapped itself on the face. How can it make the Chinese people trust it? How can it make the people of the world trust it? Qian Weichang continued: This issue has exposed the real face of the U.S. rulers. They attempt to deal with the People's Republic of China by playing the "Taiwan card" in a bid to curb China's development. Beginning from the 1950's, the United States treated Taiwan as an "unsinkable carrier." Later, China and the United States normalized their relations after signing the three joint communiques, but some people have not been happy about it. Over these years, some people in the United States have used the "Taiwan issue" to create troubles in the relations between China

and the United States. Allowing Li Denghui to visit the United States is a prominent case in point. The people of the United States are not in agreement with this practice of the U.S. Government because it will lead to a deterioration of Sino-U.S. relations, which not only greatly hurts the feelings of the Chinese people but also is not in line with the interests of the people of the United States.

Qian Weichang was not in a placid mood when he talked about Li Denghui's departure for the United States today. He said: The real purpose for Li Denghui disguising himself and sparing no high expenses to purchase a ticket to get into the United States is his attempt to create the impressions of "two Chinas" and "one China, one Taiwan" in the international community. Qian Weichang continued: The people on the two sides of the Taiwan Strait look forward to peaceful reunification. We hope that discrepancies can be continuously resolved and that peaceful reunification can be gradually realized through the establishment of direct links between the two sides for postal, air, and shipping services, as well as mutual exchanges of people between the sides. But the current act of Li Denghui has created a tense atmosphere for the cross-strait relations. It is an act in opposition to the correct principles and goes against the fundamental wishes of the people on the two sides of the Taiwan Strait.

Qian Weichang also said: In words Li Denghui also advocated "reunification" and the like, but in deeds he went to foreign countries to seek a "living space in the international arena." By so doing, he in fact is singing the tune of "Taiwan Independence" without mentioning the words.

Qian Weichang concluded his interview by saying this: No matter how the United States racks its brains in scheming to destroy the cause of China's peaceful reunification, no matter how Li Denghui tries to create "two Chinas" and "one China, one Taiwan" in the international community to disturb the reunification of the motherland, no body can disturb the trend of the reunification of the motherland because it accords with the will of the people and the general trend of events.

#### **'Should Return' to 'One China'**

HK0806061095 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 1 Jun 95 p 5

[Article by Cao Zhizhou (2580 3112 3166) and Wang Sheng (3769 0581): "The 'One China' Principle Is a Foundation and Prerequisite for Realizing Peaceful Reunification"]

[FBIS Translated Text] The important speech General Secretary Jiang Zemin delivered on 30 January this year

on the Taiwan issue presented a systematic, comprehensive, and concrete eight-point program for expediting the process of peaceful reunification, in the light of the current development of the relations between the two shores of the Taiwan Strait. The first point in the program expressly states: adhering to the "one China" policy is the basis and precondition for the peaceful reunification of the country. In the past few years, despite animated exchange in such fields as economy and culture between the two shores on a non-governmental basis, the political deadlock has remained unbroken, and the development of relations between the two shores has even been bogged down by twists and turns from time to time. The basic reason for this is that the Taiwan authorities have substantially changed their stand on the "one China" principle. General Secretary Jiang Zemin has expressly presented his stand: upholding the "one China" principle, and resolutely opposing "independence for Taiwan" and such ideas as "splitting the country and separate governments" and "coexistence of two Chinas at a certain stage." This is the very kernel and key point determining whether the relations between the two shores can smoothly develop at the present stage and whether China can accomplish peaceful reunification soon.

Over the past few years the Taiwan authorities have been seeking status as an "equal political entity" in dealing with the other side across the strait and "dual recognition" by the international community. They have often publicized the views that "nowadays there is no country called China," that "the fact now is the existence of a People's Republic of China on the mainland and a Republic of China on Taiwan," that "one China denotes the ROC that was founded in 1912 and has survived until today," that "one China denotes the historical, geographical, cultural, and consanguineous China," and so on. While pretending to uphold the "one China" principle on the surface, they have actually intended to play down or even simply abandon the principle. When recently responding to General Secretary Jiang's remarks, the Taiwan authorities still emphasized their view that "the two shores of the strait are in a state of separation and under separate governments," and "the two shores are two political entities not subordinate to one another." Their pronouncement cannot but arouse people's concern and vigilance.

It is known to all that a unified China has been a normal state dominating the more than 5,000 years of the Chinese nation's civilization, despite a series of consecutive dynastic changes and several rounds of feudal separatist rule in the history of China. China has survived for so many centuries in the East. The cycle of separation and reunification of China and change of po-

litical regimes in this country have never been able to interrupt the existence of China as an actual entity. According to international law, a country should be based on four elements, namely, permanent residents, specific territory, government, and the qualification of contracting relationships with other countries (that is, independence). China, as a subject as defined by international law, carries some concrete and substantive natures. It cannot be defined and represented by such terms in the past tense as "historical, geographical, cultural, and consanguineous." International law also provides that sovereignty is a state's supreme power; unless the state dies out, the replacement of a political regime by another, or any other changes within the state, will not imply any change in sovereignty, but rather a change of the entity exercising the sovereignty of the state. In the capacity of representative of sovereignty, the PRC Central People's Government, upon its founding in 1949, replaced the ROC Central Government to become the only legitimate representative of China. This took place while China's status as a subject in international law continued to be valid, and it did not give rise to any change in territory or in China's status as a subject under international law. After 1949, the Taiwan authorities under the self-styled title—"ROC Government"—are merely local authorities which maintain *de facto* rule over Taiwan, Penghu, Jinmen, and Mazu. They have lost both the status as the ruler of all China and the qualification as China's representative in the world. Therefore, the statement that "one China denotes the ROC that was founded in 1912 and has survived until today" is also untenable.

The "one China" principle is not an empty one. To uphold the "one China" principle, one must first clarify its denotation. To put it concisely, "one China" should mean that there is only one country called China in the world; this country has a territory of 9.6 million square kilometers including Taiwan and the Penghu Islands; on this territory live 1.2 billion people, including 23 million Taiwan compatriots; the official name of the country is the People's Republic of China, and its central government is the only legitimate representative of all of China. With the content of the principle clarified, upholding the "one China" principle should at least convey the following messages: 1) There is only one China and there should be only one central government. 2) Taiwan has remained a part of China's territory since ancient times, and all Taiwan residents are Chinese; Taiwan is a part of China and is definitely not a sovereign state; the Taiwan authorities are only maintaining *de facto* control over the Taiwan, Penghu, Jinmen, and Mazu. 3) The state of separation between the two shores of the Taiwan Strait is the consequence of the withdrawal of some Guomintang [Kuomintang]

military and government personnel to Taiwan after the Guomintang regime's rule over all China was overthrown by the people's revolution. For a long time, they have kept turning down the offer of reunification. The issue of the relations between the two shores of the strait is purely an internal affair of China. 4) The case of China is not like those of Germany and Korea, each of which was separated into two sovereign states after World War II. China's sovereignty is undivided, and China's sovereignty and territorial integrity must never be broken up.

Upholding the "one China" principle is not merely to shout the slogan "one China" but to adhere to the substantive content of the "one China" principle, which is more important. Given the present state of separation between the two shores, this is a touchstone for verifying whether a political party or regime is really seeking national unity or not. After the Taiwan issue arose, the CPC and the Chinese Government, in an attitude highly responsible for the country and nation, have always been firmly upholding the "one China" principle and opposing any words and deeds for "two Chinas," "one China and one Taiwan," or "Taiwan independence," which are aimed at splitting the motherland. On this issue that has a bearing on the fundamental interests of the Chinese nation, the CPC and the Chinese Government have made no compromise in the past and will not make any in the future.

In recent years, although the Taiwan authorities repeatedly declared in words that they "resolutely advocate the 'one China' principle" and that they "have never given up the goal seeking reunification of China," indeed they have been openly pursuing a policy of "coexistence of two Chinas at a certain stage." Their practice, which is inconsistent with their words supporting the "one China" principle, is bound to be extremely detrimental to the great cause of reunifying the motherland.

Through exchanges and contacts, the two shores of the strait can enhance mutual understanding, seek common ground while reserving differences, establish mutual trust, and then start talks to seek peaceful reunification between the two sides. This is the correct approach to peaceful reunification. However, to this end, the precondition and foundation are both sides' conscientious observance of the "one China" principle. Under the "one China" principle, those procedural matters arising from exchanges between the two shores can be readily resolved through consultations, and the two sides will be able to officially terminate the hostile state between the two shores through negotiations and seek solutions to some other problems that the Taiwan authorities are concerned about. Thus, in the course of continuous, accumulative development of relations between the two



shores, peaceful reunification will finally be achieved. If the Taiwan authorities are true to their word in the pursuit of national unification, then they should return to the "one China" principle.

#### **Military Exercises Due to Trip**

HK0806081595 Hong Kong TA KUNG PAO  
in Chinese 3 Jun 95 p a3

[Article by Shih Chun-yu (2457 0689 3768): "Taiwan Conducts Three Consecutive Military Exercises"; from the "Political Talks" column]

#### **[FBIS Translated Text] Military Exercise for Preventing Landing of Paratroops**

To support Li Denghui's [Li Teng-hui] U.S. visit, the Taiwan authorities conducted military exercises on 25 and 30 May to prevent the landing of PLA troops from the sea. Thereafter, on 1 June, they conducted another military exercise in Taizhong, to prevent an imaginary shock attack by the mainland's paratroops. The exercise was codenamed "Kunlun No. 2." These three consecutive military exercises by Taiwan in one week were aimed at nothing but "creating momentum" for Li Denghui's U.S. visit. On the one hand, they aimed at stabilizing the islanders' minds, while on the other, at demonstrating military might for the mainland to see.

Li Denghui and "chief of staff" Liu Ho-chien watched the military exercises. Li spoke, accusing the mainland of military expansion, and demanding heightened alertness against the mainland.

No sooner had Tang Shubei left Taiwan after discussing how to realize this year's Wang-Ku Talks with the leaders of the Strait Exchange Foundation, than the Taiwan authorities conducted their military exercises. Chinese compatriots on both sides of the strait do not know whether they should laugh or cry; they also see Li Denghui's intention more clearly.

The mainland already has made it clear that except for the "three kinds of conditions" emerging on the island of Taiwan (independence of Taiwan, invasion of Taiwan by foreign forces, and disturbance), the mainland will never take military measures against Taiwan. When Li Denghui conducted the three consecutive military exercises after securing a trip to the United States, he was getting at the mainland. It shows that he feels guilty because of his misbehavior. An opinion poll in Taiwan shows that a majority of the respondents agree that Li Denghui's move is to promote "independence of Taiwan or independent Taiwan." His trip to the United States is to coordinate with the Clinton administration on promoting the "one China, one Taiwan" political conspiracy. As he has this intention, he feels guilty and

is scared, so he used a series of military exercises to "enhance courage" for his U.S. trip.

#### **Use Huge Amount of Funds To Bribe Pro-Taiwan Politicians in the United States**

In order to promote his first goal, and to visit the United States to activate his "one China, one Taiwan," Li Denghui did not hesitate to send a large amount of money to bribe the pro-Taiwan politicians in U.S. political circles, and to increase the power of the "Taiwan corridor" in the U.S. Congress. These politicians in the United States attack China every day, and call for the expansion of U.S.-Taiwan official interactions, as well as permission for a private visit by Li Denghui.

Everyone knows that among the most influential lobbying groups in Washington, one is the Israeli corridor, and the other is the Taiwan corridor. It represents the interests of the Taiwan authorities and enterprises, and it appears in the form of public relations companies, lawyers' firms, and consultants' offices — at least several dozens of them. Among these organizations, the Taiwan Comprehensive Research Center, which is under the Guomintang [Kuomintang] system, has signed contracts with some U.S. companies, asking these "companies" to carry out activities in the corridor outside the Congress and at other levels. From last year to this year, four more companies have accepted the duty of corridor activities for Taiwan.

#### **"One China, One Taiwan" Cannot Succeed**

It was precisely this force of the Taiwan corridor that kept adding fuel to the flames, and pro-Taiwan senators such as Murkowski (Republican) and Simon (Democratic) who kept rallying in the U.S. Congress, which actively instigated in the Senate a call for Clinton to allow Li Denghui to visit the United States.

The Taiwan authorities spend at least \$5 million per year on propaganda activities in the U.S. Congress. In the fall of 1994, a lawyer's firm representing Taiwan donated \$12.5 million to Ackerman, then chairman of the East Asian and Pacific Affairs Subcommittee of the House Foreign Affairs Committee. According to reports, Winston Lord, assistant secretary of state for East Asian affairs, recently protested to Lu Siu-chung, Taiwan representative in the U.S., saying that Taiwan's activities in the congressional corridor are too obvious.

Of course, the chief plotter promoting "one China, one Taiwan" is the United States. Without all the tricks employed by the United States, Li Denghui could not accomplish anything, even if he carried out more activities. After coming to power, Li Denghui spared no effort to engage in "private diplomacy," "vacation

diplomacy," and "struggling for international space." His real purpose is to sell "one China, one Taiwan" to the international community, and this meets the need of the United States, which wants to change its China policy following the Cold War. However, the Chinese people will never allow Taiwan to separate from the motherland, and this firm policy — like the big palm and the five fingers of the Buddha — allows no one to sidestep.

#### Li 'Splitting' China

HK0706135895 Hong Kong WEN WEI PO in Chinese  
7 Jun 95 p A2

[Editorial: "Those Who Are Proud of Relying on Foreigners To Split the Land Do Not Enjoy Popular Support"]

[FBIS Translated Text] Recently, Chinese nationals at home and abroad indignantly condemned the United States for buttressing Li Denghui [Li Teng-hui's] act of creating "two Chinas" and splitting the national territory. The XINHUA NEWS AGENCY published a commentary yesterday to lay bare Li Denghui's acts of adding fuel to the flames for Taiwan independence, so that people can see even more clearly the actual facts of how the foreign forces and the elements to split the national territory echo each other.

Since ancient times, the Chinese people have treasured moral integrity and righteousness, who regard the action of safeguarding national unity as pride and that of splitting national territory as a disgrace. At this historical juncture in Taiwan, what Li Denghui thinks is exactly what foreigners want, and what he does—the attempts of separating the precious island from China's national territory—is exactly that which all patriots are resolutely opposed to. He advocates "independence" at one moment and "unification" at another and uses "unification" to conceal "independence." He disclosed his inner thoughts to the Japanese writer Ryotaro Shiba, saying: He is prepared to play the part of Moses by leading the Taiwan people to the Exodus, and his "private visit" to the United States is the springboard of the Exodus. Moses needed God to give him supernatural power to divide the waters in the Red Sea for the Exodus, while Li Denghui regards the United States as his foreign God who will blaze the trail for his Exodus. He begged the Americans to recognize the two political entities that exist in China; next, he will urge the Americans to help him enter the United Nations, and finally, he will carry out his plan of separating Taiwan from China's territory.

Recently, Li Denghui gave himself the airs of a guide to charter the course for the Democratic Progress Party

[DPP], and made the following confession to the DPP: "I merely assume a posture by talking about unification, yet in my heart of hearts, I have the same opinion as you." When addressing the National Unification Council, he advocated that the two sides of the Taiwan Straits are "two 'divided and separately ruled' political entities, and no one is subordinate to the other." A short time ago, he again declared that it was "unacceptable" to "Taiwan being an integral part of the mainland." His current trip to the United States is nothing more but an excuse to barter away his honor for U.S. patronage, to serve as a card of the United States, and to offer his services for U.S. intervention in China's internal affairs and effort of splitting China's territory.

In recent years, Li Denghui has gone further and further, and felt reassured and emboldened with the United States at his back. Refusing to go the right way, he has willingly sunk into the deep mire of "Taiwan independence" and got himself filthy from top to bottom. The Chinese nationals residing abroad bitterly hate his words and deeds with regard to "Taiwan independence" and pointed out one after another the danger of his acts.

Today, the Chinese nation is facing a favorable opportunity of economic rejuvenation. The close cooperation between the mainland and Taiwan is complementary and beneficial to both sides, as Taiwan has gained access to the vast economic hinterland and the mainland has obtained a source of funds, which will give impetus to the future rapid economic development on both sides of the Taiwan straits and contribute to the increasing growth of comprehensive national strength in China. Every patriotic citizen of Chinese descendants is happy to see this trend. However, a small handful of anti-Chinese forces in the United States would not like to see the economic growth and the increase of national strength in China, but secretly plotted to disintegrate and disrupt the cross-strait cooperation. Just as Chao Ching-lun, a political commentator residing in the United States, pointed out: "The United States has tried by every possible means to tie up China in the hope that China will not be able to get stronger. For this purpose, the most important instrument it used is Taiwan. Its tactics is to tie up China with Taiwan and to tie up the KMT with the DPP, and Li Denghui is its most ideal instrument." Some overseas Chinese criticized that "Li is chairman of the KMT in name but an element of Taiwan independence in reality." Even people inside the KMT are worried that the KMT's cause will be ruined in the hands of Li Denghui, since he would not take the open road of unification but cross the wooden bridge of splitting the motherland. This will inevitably intensify the KMT's internal contradictions, bring about

antagonism among factions, and cause dispersion of its strength. Eventually, the DPP advocating Taiwan independence will effortlessly reap the spoils of the contest. When Jiang Jingguo [Chiang Ching-kuo] was alive, he persistently refused to embrace the foreign devils, thus avoiding to leave political stains behind. But, knowing well the United States has ambitions over Taiwan, Li Denghui is willing to deliver himself to its doorstep. Once he collaborates with the foreigners, he will act like a donkey in a lion's skin, and by shelling artillery, staging military maneuvers, and so on, deepen "dissension" and aggravate "confrontation" between the two sides of the straits. In this way, he will be able to deploy the scheme of getting into the United States as the first step for the subsequent "Exodus." Simply judging from whether or not he has drawn a clear distinction with the foreign forces, Li Denghui is unworthy of Chiang Ching-kuo's promotion and appreciation. Therefore, the recent Taiwan public opinion poll showed that Li Denghui is far behind the late Jiang Jingguo in popularity.

He who invites a wolf into the house will eat the bitter fruit of his own making, let alone the one who adds fuel to the fire for Taiwan independence by flaunting his foreign connections. His actions have also damaged the perspective and stability of economic growth in Taiwan. Men of insight in Taiwan will certainly rise to give resistance to him. At that time, Li Denghui will be caught in a dilemma, be totally isolated from the masses, and be completely devoid of popular support.

#### Academician Interviewed on Trip

OW0706124395 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 6 Jun 95

[Interview with (Xin Qi), member of the Council of the All-China Taiwan Research Society and deputy researcher of the Peace and Development Research Center by station reporter Chen Jinhai; place and date not given; from the "News and Current Events" program — poor reception precludes fuller processing]

[FBIS Summary] "Listeners and friends: While a good beginning has been made in the development of cross-strait relations, and the trend of nongovernmental exchanges between the two sides of the strait is gaining momentum, Li Denghui's [Li Teng-hui] unbecoming acts designed to promote the so-called alumni diplomacy or stop-over diplomacy have created unnecessary twists and turns in the development of cross-strait relations. Personalities at home and abroad who are concerned about cross-strait relations have aired views on this issue. Our station reporter Chen Jinhai has interviewed (Xin Qi), member of the Council of the All-China Taiwan Research Society and deputy researcher

of the Peace and Development Research Center. Following is the recording of the interview:"

[Begin recording] [Chen] Mr. Xin, Taiwan's Li Denghui recently decided to pay a private visit to the United States. What effect will his decision have on the future of cross-strait relations?

[Xin] "As far as Li Denghui's decision to visit the United States is concerned, we may as well recall that Jiang Jingguo [Chiang Ching-kuo] also undertook a trip to the United States years back. At that time, however, seeking reunification with China was still the basis of his policy. What Li Denghui is doing today is entirely contrary to the principle of one China. The real purpose of his visit to the United States is not to create the condition for China's reunification, but to show that Taiwan has the required international status for a separate government." This is what Washington has been trying to do since the establishment of diplomatic ties with the PRC in 1978. "The serious nature of this issue should not be underestimated." As is known to all, a big stride has been made in the development of cross-strait relations in various fields in recent years. However, the Taiwan side's stopover diplomacy has complicated the cross-strait relations. Naturally the Taiwan authorities need to coordinate their foreign and mainland policies because each step made in foreign affairs can help them advance a half step in cross-strait relations, thereby maintaining equilibrium between the two sides. However, such equilibrium is contrary to the principle of one China. "Therefore, I hope that the two sides will value China's reunification above all and work hard to enable cross-strait relations to develop along a sound track, instead of pursuing a policy of contradicting the principle of one China." Personalities concerned on both sides should seriously ponder the issue of Li Denghui's U.S. visit and its impact on cross-strait relations. The Taiwan authorities should soberly assess the visit's political and diplomatic impact on cross-strait relations. "The consequences of the visit should not be underestimated." Moreover, it is also very inappropriate for Mr. Li Denghui to bring his family of three generations to visit the United States. As he has professed to be a Chinese on many occasions, how could he use Taiwan taxpayers' hard-earned money to bribe U.S. congressmen and to create two Chinas, or one China, one Taiwan, in the international arena?

[Chen] How do you appraise Li Denghui's recent statements on his scheduled visit to the United States?

[Xin] "I have noticed that these statements do not contain views detrimental to the development of cross-strait relations and the promotion of China's reunification. Overall, however, the statements touch upon some in-



appropriate issues, especially those concerning the definition of cross-strait relations and the so-called legally constituted authority of Taiwan and the mainland, or even the issue of Taiwan's sovereignty. Obviously these statements are out of tune with the general environment and atmosphere for developing cross-strait relations." While emphasizing China's reunification, these statements also adhere to the anticommunist and some other obsolete views. In handling cross-strait relations, any political figure should adopt a prudent approach and work hard to promote benign interaction, as it is called in Taiwan. Should his words and deeds undermine benign interaction, he must be doing things against the vital interests of the Chinese on both sides of the strait.

[Chen] How do you view the future development of cross-strait relations?

[Xin] "Generally speaking, I view the prospects for cross-strait relations with cautious optimism, especially since the date and venue of the second Wang-Gu [Ku] meeting have already been decided upon, and cross-strait exchanges in various fields have been continually deepened." The Taiwan side should not adopt a mainland policy that undermines the stable trend of the development of cross-strait relations. Once the stability in the trend is weakened, exchanges can be damaged. People of insight on both sides do not want to see regression and tension in cross-strait relations as a result of inappropriate statements and incompetent policies of a certain political figure. I hope twists and turns in cross-strait relations caused by Mr. Li Denghui's visit to the United States will not affect the general trend of cross-strait relations. [end recording]

#### KYODO Cites XINHUA

OW0806025595 Tokyo KYODO in English  
1231 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 KYODO — As Taiwan's president Li Teng-hui took off for his "private visit" to the United States on Wednesday [7 June], the Chinese press began redirecting its vitriol from Washington to Taipei, accusing Li of destroying the solemn undertakings of the Chinese people.

"Li Teng-hui has shown no consideration for the righteous cause of the nation and relations across the Strait, is self-possessed with relying on foreigners, has created an opportunity for foreign forces to further interfere in the Taiwan question and has helped Taiwan's 'pro-independence forces' run amok," XINHUA NEWS AGENCY reported.

"This cannot but make the people on both sides of the Strait indignant," it said.

The report called Li's visit a political plot to internationalize the Taiwan question and to make the present split between Taiwan and the mainland "fixed or permanent."

Li's six-day private visit, which includes a visit to Cornell University, his alma mater, has incensed a Beijing Government which has claimed sovereignty over Taiwan since the nationalist government holed up there in 1949. Beijing has refused to renounce the use of force to reunite the island with the mainland.

Following U.S. approval of the Li visit late last month, Beijing accused Washington of violating the principles of its relations with China and threatened serious retaliation.

A separate XINHUA report, entitled "Li Teng-hui spares no capital to buy a ticket to the U.S.," documented Taiwan's costly lobbying and public relations campaign in Washington and New York, claiming such expenses amounted to more than 27 million dollars, not including the 4.5 million dollars that Li will donate to Cornell during his visit.

The report listed the payments made by Taiwanese organizations, including Taiwan's Economic Ministry and the semiofficial Overseas Trade Office, to several U.S. lobbyists and public relations companies and documented extensive donations for scholarship funds and research institutes at Cornell University.

"By exposing the lobbying activities of the Taiwan authorities, people will discover how the authorities spent the money earned by the blood and sweat of the Taiwan people to rely on foreigners to wreck the relations across the Strait," it said.

The report, apparently intended to appeal to domestic nationalism, further charged that Li was turning his back on reunification in order to win reelection.

"Li Teng-hui by seeking to improve his 'undeserved reputation' by visiting the U.S., has only gone to cooperate with anti-Chinese forces in the U.S. who want to create 'two China's' or 'one China, one Taiwan' and ruin the great undertaking of peaceful reunification of the motherland," the report said.

"This is by no means a wise move by the Taiwan authorities, nor is it a blessing to the Taiwan compatriots," it said.

**ARATS Lodges Protest Over Killing of Fisherman**  
OW0706141995 Beijing XINHUA in English  
1356 GMT 7 Jun 95

[FBIS Transcribed Text] Beijing, June 7 (XINHUA) — The Beijing-based Association for Relations Across

the Taiwan Strait today sent a letter to its counterpart in Taiwan urging it to forward ARATS's request for punishment of those responsible for the killing of a Chinese fisherman, last month.

In a letter to the Straits Exchange Foundation (SEF) in Taiwan, ARATS said that a fishing vessel belonging to Changle city in east China's Fujian Province was fired upon by a motorboat containing six Taiwanese soldiers while returning from fishing 2,000 meters from Baiquan Island on May 2. The ship's owner, Ke Guozeng, was hit in the waist during the attack.

The Taiwanese then intercepted the fishing vessel and forced Ke, who had been severely wounded at that time, to pilot the vessel to Baiquan Island, which is under the control of Taiwan.

Other two fishermen with Ke was told that Ke died on the island in late hours of the day, and 45,000 New Taiwan dollars (about 1,760 U.S. dollars) were paid in compensation.

The letter described the act as showing utter disregard for human life and said that it has aroused great indignation among Chinese fishermen.

Since the beginning of this year, the incidents of firing on mainland's fishing boats occurred for a number of times, according to the letter.

It has not only impaired good relations between the two sides of the Taiwan Strait but also undermined the efforts for maintaining the harmonious atmosphere, it said.

Ke's death has caused great pain and financial difficulty in his family. The compensation fund given by authorities in Baiquan Island is far from enough to provide support for his family members, the letter said, and that Ke's family and ARATS have the right to ask for more compensation.

#### **Station Announces Frequency Change**

*OW0706135695 Beijing Central People's Radio  
in Mandarin to Taiwan 2200 GMT 4 Jun 95*

[From the "News and Current Events" program]

[FBIS Translated Text] Listeners: Beginning at 0955 GMT on 12 June 1995, the shortwave frequency used by the this station's Program One to Taiwan will be changed. The frequency 9455 kHz used daily between 0955-1200 GMT and 2300-0005 GMT will no longer be used. From 0955 GMT to 0005 GMT daily, the shortwave frequency 3815 kHz will be used by Program One of this station to broadcast its programs to Taiwan.

**Li Teng-hui Arrives in Los Angeles**

OW0806112595 Taipei CNA in English  
1008 GMT 8 Jun 95

[By C.C. Chen and Sofia Wu]

[FBIS Transcribed Text] Los Angeles, June 7 (CNA) — Republic of China [ROC] President Li Teng-hui, accompanied by his wife and a small entourage, arrived in Los Angeles Wednesday morning on the first day of his landmark four-day visit to the United States.

Li was quoted by ROC government spokesman Jason Hu as saying upon his arrival at the Los Angeles airport that he started his U.S. visit "in a happy atmosphere and with a solemn feeling."

Li was greeted by Nat Bellocci, chairman of the Amerian Institute in Taiwan, and several California state officials at the airport also on hand to greet Li were some ROC officials stationed in the U.S. and a dozen Overseas Chinese community leaders. A prepared presidential office press statement read by Jason Hu said President Li hoped his visit to his alma mater, Cornell University, will help promote friendship and exchanges between the peoples of the ROC and the U.S.

The statement said the U.S. government's consent to Li's visit reflects the long-standing friendship between the peoples of the two countries. "It also represents U.S. recognition of our achievements in economic development and political democratization over past decades," the statement added.

It further said Li is grateful for all the assistance the U.S. Government has given in arranging his visit. "The president would also like to express his heartfelt appreciation for the concern and support given by the U.S. Congress, media and friends to the ROC," the statement said.

During his meeting with Bellocci at the Los Angeles Ritz-Carlton Hotel, Li said he came to the U.S. mainly for an alumni reunion at Cornell University in Ithaca, New York. "My visit does not have any political motives," he said. Li further said he is optimistic about future ROC-U.S. relations. "With the end of the Cold War, we must deal with world affairs with a new vision and in a pragmatic manner," he added.

Li later met with Los Angeles Mayor Richard Riordan and five California state government officials, including Julie M. Wright, director of the state trade and commerce agency, and William Black, chief of protocol.

Wright conveyed a personal letter to Li from California Governor Pete Wilson extending his warm welcome to Li. "California is honored to receive a distinguished leader of a dynamic nation," Wilson said in his letter.

Wilson also telephoned Li later in the day wishing him "an enjoyable and productive visit to his alma mater."

Li met with a group of Overseas Chinese community leaders, briefing them on Taiwan's latest economic and political developments and exchanging views with them on how to further boost Taiwan's national development, expand its diplomatic frontiers and improve its relations with Mainland China.

Li and his entourage will leave here for Ithaca Thursday morning. Li will deliver a speech on Taiwan's development over past decades at Cornell University's Spencer T. and Ann W. Olin Lecture at 3 PM June 9 local time. He will be the first Asian leader to deliver the address since the Olin lecture was launched nine years ago.

Li's entourage includes Wu Poh-hsiung, secretary-general to the president; Ting Mao-shih, secretary-general of the National Security Council; Vice Foreign Affairs Minister Chen Hsi-fan; and Jason Hu, director-general of the Government Information Office.

**Economic Minister Calls for German Investment**

OW0806015895 Taipei CNA in English  
0138 GMT 8 Jun 95

[By Lillian Lin and Flor Wang]

[FBIS Transcribed Text] Bonn, June 6 (CNA) — The Republic of China [ROC]'s Economic Affairs Minister P. K. Chiang, in an interview with the North German Radio Television Station on Tuesday, called on German enterprises to increase investments in Taiwan and to boost imports of Taiwan products.

Chiang, leading a 60-member trade-promotion delegation, arrived in Germany last Thursday [1 June] for a weeklong visit.

Earlier in the day, Chiang attended a ribbon-cutting ceremony of a Taiwan quality-product exhibition dubbed "It's Very Well Made in Taiwan" in the port city and took part in the third Taiwan-Germany Economic Cooperation Conference at the Hamburg Chamber of Commerce.

Chiang, who also visited Thuringen State in eastern Germany a few days earlier, said in the TV interview there was ample room for the two countries to develop their small/medium business regimes. Chiang pointed out that Taiwan's economic-development experience has not only helped boost the economies of Southeast Asian countries, but has also had a noticeable impact on Mainland China's economy.

Chiang stressed that reunification with the mainland is the ultimate goal of the ROC Government, but that



the goal can only be realized when both sides have democratic governments, free-trade regimes and respect for human rights.

While welcoming German enterprises to take part in Taiwan's north-south rapid-train project, Chiang singled out the importance of his meeting on Friday with German Economic Affairs Minister Guenter Rexrodt, saying it would no doubt help enhance bilateral economic relations and encourage more German investors to set up strongholds on Taiwan.

The TV interview was scheduled to be broadcast on Wednesday in Germany.

#### **Minister Leaves for APEC Transportation Meeting**

OW0806114595 *Taipei CNA in English*  
0857 GMT 8 Jun 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, June 8 (CNA) — Transportation and Communications Minister Liu Chao-shiuan left for the United States Thursday to attend the first transportation ministerial conference of the Asia-Pacific Economic Cooperation (APEC) forum, which is slated for June 12-13 in Washington, D.C.

The conference will bring together ministers and delegates from the 18 APEC members to exchange views on the development and cooperation of the transportation industry in this part of the world.

Hosted by the US Department of Transportation, the two-day ministerial-level meeting will focus on discussion of transportation infrastructure, the improvement of transportation outlets, the application of advanced transportation expertise, personnel training and a working plan for the Asia-Pacific transportation network.

US Secretary of Transportation Federico F. Pena will officiate at the meeting, at which Liu will deliver a speech.

A joint press conference is scheduled to be held at the US State Department Tuesday afternoon to detail the meeting's results.

Founded in 1989, APEC now groups Australia, Brunei, Canada, Chile, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Liu said prior to his departure that he will take advantage of the meeting to talk with his Australian counterpart on cooperation in pilot training. He will also meet with the Singapore delegate on Taiwan's Asia-Pacific business operations center plan as well as with the Mex-

ican delegate on the feasibility of exchanging aviation rights.

Accompanied by a 12-member delegation, including representatives from Yangming Marine Transport Corp., Evergreen Marine Corp., the R.O.C. National Association of Shipping Agencies, China Airlines and Far East Air Transport Corp., Liu will first visit Los Angeles and New York before arriving in Washington, D.C., on Sunday.

#### **APEC Oceanic Forum To Gather in Taipei**

OW0806023195 *Taipei CNA in English*  
0148 GMT 8 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 7 (CNA) — The Asia-Pacific Economic Cooperation forum (APEC) has decided to hold a meeting in Taipei next year on the conservation of oceanic resources, an Environmental Protection Administration official said Wednesday.

It will be the eighth meeting by an APEC working group, the official said.

The decision was adopted at this year's oceanic-resources meeting, which was held late last month in Qingdao, Mainland China.

Ten APEC members attended the meeting — Canada, Chile, Mainland China, Hong Kong, Japan, South Korea, Malaysia, Thailand, the United States and Taiwan.

#### **SEF To Send Cultural Delegation to Mainland**

OW0806090995 *Taipei CNA in English*  
0835 GMT 8 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 8 (CNA) — Taiwan's Straits Exchange Foundation (SEF) will send a cultural delegation to Mainland China Sunday [11 June] for a 10-day visit.

While in the mainland, the delegation is expected to visit their counterparts at Beijing's Association for Relations Across the Taiwan Strait (ARATS), as well as Mainland Chinese Ministry of Culture, State Education Commission, State Science and Technology Commission and local news organizations.

The delegation, led by SEF Vice Secretary-General Li Ching-ping, will be the first group of Taiwan officials from all three major political parties to visit mainland schools and discuss the possibility of cross-strait cultural exchanges.

Sources said that the visit is expected to help negotiations on the verification of cross-strait educational credentials and promote development of a cultural exchange policy.

The delegation will depart for Beijing Sunday. On Monday, the representatives will call on ARATS Vice Chairman Tang Shubei and visit Beijing University, Qinghua University, the State Science and Technology Commission and the State Education Commission.

The delegation will call on the state Ministry of Culture and meet with State Bureau for Preservation of Cultural Relics officials Tuesday before traveling south to Jinan, Shanghai, Fujian Province and Shenzhen.

During their stay in Shanghai, they will also call on ARATS Chairman Wang Daohan to convey greetings from SEF Chairman C. F. Ku. The two chiefs are expected to meet for a second round of high-level cross-strait talks next month.

The delegation will return to Taipei on June 20.

SEF and ARATS are intermediary bodies set up by Taipei and Beijing to handle civilian exchanges in the absence of official ties.

#### **Solomon Islands To Release Fishing Boats**

OW0806023395 Taipei CNA in English  
0140 GMT 8 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 7 (CNA) — Seven small Taiwan tuna boats are expected to be released by the Solomon Islands on Friday [9 June] following an agreement on Wednesday between the Solomon Islands, the boat owners, and the Kaohsiung Fishermen's Association.

Association officials said the Solomon Islands will fine each boat US\$80,000, keep each boat's catch, and ask them to follow operational regulations in the future.

The seven Taiwan boats were accused of illegally transshipping fish and making false claims on the amount of their catches while operating in territorial waters of the Solomon Islands in mid-May.

#### **Representative to Vietnam on Investment, Spratlys**

OW0806022295 Taipei CNA in English  
0120 GMT 8 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 7 (CNA) — Taiwan remains the top investor in Vietnam, the Republic of China [ROC]'s representative to that country said Wednesday.

Lin Sui-chi was reporting on bilateral relations to a joint session of the Legislative Yuan's Foreign Affairs and Overseas Chinese Affairs Committees.

Lin said that since 1988, Taiwan has been the top foreign investor in Vietnam. He cited statistics released by Vietnam's State Committee for Cooperation and Investment to show that as of April 10, Taiwan had invested US\$2.55 billion in 184 projects in Vietnam, out of the US\$13.1 billion invested in 1,095 projects by all foreign investors.

Lin noted that Taiwan investment has focused mainly on the industrial sector, especially the garment and textiles, shoemaking, wood-products, and food-processing industries, as well as on construction, including residential housing complexes, shopping malls, hotels, and golf courses.

He said Taiwan investors mainly have targeted Ho Chi Minh City, Ba Ria, Haiphong, Hanoi, Dong Nai Province, and Be Song Province.

Lin predicted Taiwan investment in Vietnam would continue to grow under the government's southern investment strategy.

On the controversial Spratly Islands, over which Taiwan, Mainland China, Vietnam, Brunei, Malaysia, and the Philippines claim whole or partial sovereignty, Lin suggested that the parties put aside their sovereignty claims and concentrate on jointly developing resources in the area.

Lin said the situation concerning the Spratlys was quite complex, saying that Mainland China occupies seven islands, Malaysia is on three, the Philippines occupies eight, Vietnam has 23, and Taiwan has stationed troops on Taiping Island.

He said the main problem with the dispute was that no claimant to the islands is ready to put aside its sovereignty claims. He said the claimants should "try to work hand in hand in developing the Spratlys. All parties should join in scientific research and share results and also keep its sea and air lanes open to promote the peaceful use of the region."

Lin stressed that Taiwan and Vietnam would handle the issue based on their long-term friendship, and promote more exchanges for the interests of both nations.

**Paraguayan President Receives Investment Mission**

OW0806114995 Taipei CNA in English  
0903 GMT 8 Jun 95

[By Stephen L.K. Sheng and Y.C. Tsai]

[FBIS Transcribed Text] Asuncion, June 7 (CNA) — Paraguayan President Juan Carlos Wasmosy said Tuesday [6 June] that Paraguay is a faithful ally of the Republic of China [ROC] and attaches great importance to the friendship between the two countries.

In a meeting with a 20-member ROC investment mission, President Wasmosy pointed out that he admires the ROC's achievements and will not do anything detrimental to the long-standing friendship.

While extending a warm welcome to ROC investors, he noted that the Paraguayan Government is working with the parliament to revise investment-related laws in a bid to offer more incentives for foreign investors.

The investors from Taiwan were accompanied during the meeting by ROC Ambassador Augustin Liu. The meeting lasted for 30 minutes.

Meanwhile, Chou Yen, executive secretary of the ROC's International Economic Cooperation Development Fund, who is also head of the investment mission, said here Wednesday that about 40 Taiwan manufacturers are prepared to invest in an industrial complex near La Ciudad del Este.

The industrial park, 23 kilometers outside the city, occupies an area of more than 40 hectares and is expected to house 70 factories, Chou noted.

With an estimated US\$1.5 million investment for one factory, the industrial park calls for an aggregate investment of about US\$100 million, he elaborated.

The expected combined production value of the plants, including garments, textiles, wood processing, plastics, toys, stationery, electric appliances and gifts, is put at more than US\$300 million annually, he added.

If each factory has an employment of 100, the whole industrial complex could create 7,000 jobs, he said.

**Canadian Governor To Visit Taiwan in Oct**

OW0806112295 Taipei CNA in English  
0850 GMT 8 Jun 95

[By S.C. Chang and Danielle Yang]

[FBIS Transcribed Text] Halifax, Canada, June 7 (CNA) — Governor John Savage of the Canadian province of Nova Scotia will lead a delegation to Taiwan in October to promote trade, according to Minister Robert Harrison of the Economic Renewal Agency of Nova Scotia.

Harrison made the remarks during a banquet Wednesday held to mark the end of the five-day 9th joint meeting of Canada-Taiwan business associations in New Brunswick. The banquet was jointly hosted by Harrison and Wayne Adams, head of Canada's Environment Department.

Harrison said Pratt & Whitney Canada, producer of the engines for 12 planes Taiwan's great China Airlines recently bought from Bombardier Co. of Canada, is located in Nova Scotia.

Adams added that Nova Scotia is willing to share its environmental protection know-how with Taiwan and stressed Halifax is a beautiful and safe place for Taiwan investment.

**Concerns Voiced Over Argentina's Tourist Policy**

OW0806020195 Taipei CNA in English  
0132 GMT 8 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 7 (CNA) — The Foreign Affairs Ministry on Wednesday expressed its concern over the refusal by Argentina to allow in a number of Taiwan tourists recently.

Ministry officials have asked Argentine authorities to speed up their investigation of the matter through the Argentina Trade and Cultural Office in Taipei.

The ministry learned from the ROC representative office in Argentina that 42 Taiwan tourists — two separate groups of 27 and 15 — were denied entry into Argentina last week because they were suspected of being would-be immigrants, since they either did not have confirmed return dates on their tickets, had limited traveling expenses, or were carrying too much luggage.

Foreign Affairs Ministry spokesman Rock Leng said that in addition, nine Taiwan tourists were admitted into Argentina only after the ROC representative office in Argentina intervened in disputes with Argentina customs officials.

Leng said the ROC Government is treating the repatriations as a serious matter, adding that the ministry has instructed the representative office in Argentina to contact Argentina foreign affairs and immigration officials to get further information.

He said that international practice does not require a nation to give any reason for denying foreigners entry, but that based on the friendly ties between Taiwan and Argentina, the government is expecting a substantial explanation.



Marcelo E. R. Delpech, who heads the Argentine Trade and Cultural Office in Taipei, has already conveyed the ROC Government's concern to Argentina, and said he would investigate the matter as soon as possible.

Leng said that if the rejected tourists were indeed trying to emigrate to Argentina, then it was "understandable" that the Argentine Government had taken preventive measures, but added that the ROC Government would investigate whether that was the case.

#### **Council Chambers of Commerce To Meet in Taiwan**

OW0806112795 Taipei CNA in English  
0847 GMT 8 Jun 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 8 (CNA) — The Council of Taiwan Chambers of Commerce in Asia will meet in Taipei July 17-18 with some 200 Taiwan trade representatives from nine countries and areas participating, the Overseas Chinese Affairs Commission (OCAC) said Thursday.

During the meeting, the council will elect Chairman of the Taiwan Businessmen's Association in Hong Kong Wang Lu-in as the new council head. The council will also seek to consolidate the strength of Taiwan traders in Asia to establish communication channels in their countries of residence to protect the interests of Taiwan traders there, an OCAC official noted.

The group is expected to form a powerful lobby for Taiwan traders in the various nations, the official said.

Trade representatives will come from Japan, Hong Kong, the Philippines, Singapore, Thailand, Malaysia, Indonesia, Vietnam, and Mainland China.

Meanwhile, the World Taiwan Chambers of Commerce will hold its first annual meeting in Taipei in September, the official noted.

The World Taiwan Chambers of Commerce was founded last September with 50 trade councils as its members, including 23 members in the Americas, ten in Europe, nine in Asia and two in Africa.

The World Taiwan Chambers of Commerce is also expected to set up a commercial databank this year to provide overseas Taiwan traders with economic and trade information.

#### **Army Unveils M60-A3 Tanks to Press**

OW0806023495 Taipei CNA in English  
0145 GMT 8 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 7 (CNA) — The Army, in a brief exercise Wednesday at an armored vehicle base in the northern county of Hsinchu, unveiled before the press the 20 M60-A3 tanks it recently acquired from the United States.

The tanks were the first of the 160 retired US Marine Corps tanks that will be delivered to Taiwan under an NT\$2.5 billion (US\$97.27 million) deal.

"The tanks are in pretty good shape even though they rolled off the assembly line 13 years ago," a base commander surnamed Wang said. The US began designing and manufacturing the first M60-series tanks in 1956, with the M60-A3 being the latest version.

Each tank has a 105mm cannon, a laser distance finder, a ballistic calculator, and other sophisticated equipment, which allow accurate shooting while in motion.

Wang said he had confidence in the tanks — the premier ones in the ROC Army. All 160 M60-A3s should be commissioned by August 1996, he said. The Army also has more than 500 M48H tanks.

At Wednesday's display, reporters were shown how the tanks are able to easily make their way through muddy rice paddies — an apparent bid to alleviate concerns that the heavy tanks are not fit for Taiwan's topography.

There are 15,000 M60-A3 tanks servicing more than 20 countries around the world, including the United States, Israel, Egypt, Iran, South Korea, Thailand and Italy.

#### **Foreign Exchange Reserves Hit New 'Record High'**

OW0806020095 Taipei CNA in English  
0125 GMT 8 Jun 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, June 7 (CNA) — Taiwan's foreign exchange reserves climbed to a record high of US\$100.3 billion at the end of May, breaking the US\$100 billion mark for the first time, the Central Bank of China's [CBC] Foreign Exchange Department said on Wednesday.

CBC Governor Y. D. Sheu said 53 percent of the nation's foreign exchange reserves were in US dollars, while about 40 percent consisted of German marks and Japanese yen. The remaining 7 percent consisted of other currencies, he added.

Also on Wednesday, Sheu said Taiwan has been making an annual average 6.79 percent profit on its foreign exchange reserves since 1990 — or higher than the average 6.1 percent interest rate on the international financial market.

Sheu made the remarks at the Legislative Yuan when answering questions about the CBC's budget for fiscal year 1996 from Democratic Progressive Party legislator Liu Wen-ching, who demanded that Sheu explain how the country is profiting from its foreign exchange reserves.

Sheu, citing statistics compiled by the Foreign Exchange Department, said Taiwan saw profits of 8 percent and

6.05 percent on its foreign exchange reserves in 1990 and 1991, respectively, although that figure fell below the 6 percent mark for the first time to 5.61 percent last year because of lower interest rates on the global financial market.

Since the beginning of this year, a profit of 5.96 percent has been made on the nation's foreign exchange reserves, also higher than the 5.18 percent interest rate on the international financial market, he said.

## Hong Kong

### Further on Hong Kong Appeal Court

#### Progress in Talks Viewed

OW0706130095 Beijing XINHUA in English  
1151 GMT 7 Jun 95

[FBIS Transcribed Text] Hong Kong, June 7 (XINHUA) — Substantive progress has been made in the eighth round of expert talks of the Sino-British Joint Liaison Group (JLG) on Hong Kong's Court of Final Appeal (CFA).

This was announced by Chen Zuor, representative of the Chinese team on the JLG, after the conclusion of the first session of the two-day talks which started here today.

After nearly four hours of close-door discussions, Chen, who headed the Chinese team in the talks, told reporters that through mutual efforts the two sides had narrowed their differences over the CFA issue and made "further substantive progress" in their talks.

Alan Paul, British representative to the JLG, echoed Chen's view by saying that the two sides had made further substantive progress in narrowing the differences over the CFA issue.

The two sides agreed to meet tomorrow morning to continue their talks.

#### Court Establishment Delayed

HK0806040295 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Jun 95 p 1

[By Chris Yeung and No Kwai-yan]

[FBIS Transcribed Text] Britain and China appear ready to strike a deal on Hong Kong's controversial Court of Final Appeal, but sources last night said it was unlikely to be in place before the resumption of mainland rule.

A source close to the Chinese side said "it would be meaningless now to establish the court before 1997" as stipulated by the 1991 Joint Liaison Group court agreement. "But we can still keep the common ground and discuss preparations for the court in the next few years before implementation in 1997."

The crux of the 1991 deal was to have it in place by 1993 so that it could become fully established by 1997 and the resumption of Chinese sovereignty. "But there is now only about two years left... so the point of having it established long before 1997 no longer exists," said the source.

Under the 1991 accord, the two governments agreed to limit the number of overseas judges to one in an overall

panel of five for each sitting of the court, designed to replace Britain's Privy Council as the highest appellant chamber well before 1997. However, the source denied that the 1991 deal was now dead, saying: "It would be ideal if the two sides could continue talking about preparations before the court is launched on July 1 1997."

As for the technical problems of dealing with cases that were still being considered by the Privy Council at the time of the handover, the source said there were several solutions. "If they are worried that there might not be enough time for the completion of a case by the Privy Council, they could wait until the court is established," he said. "Or, it is possible for cases handled by the Privy Council to be passed to the court."

Yesterday's developments came just a day after Chinese Vice-Premier Qian Qichen told Britain's Financial Times that establishment of the court should be delayed until after July 1, 1997, with the Privy Council remaining the highest judicial organ of the territory until after the handover.

But Democratic Party chairman Martin Lee Chu-ming yesterday denounced any move to delay the implementation of the court until 1997 as a betrayal of the rule of law. "If Governor Chris Patten and the British Government are really considering leaving it to Beijing to set up the Court on July 1, 1997, they will be consigning Hong Kong people to a very uncertain fate," he said. "We will not tolerate the British Government backsliding on its solemn promises to Hong Kong people in order to secure a smooth transition."

Speaking after a four-hour meeting yesterday, the British and Chinese negotiators reported further progress and fewer differences — and said they were ready to talk again today. A source described the move as "encouraging", and pointed out that the Chinese side had shown greater political will to strike a deal during these talks. But he also warned that past experience in Sino-British negotiations had shown that anything was still possible until "the ink was on the page".

Yesterday's afternoon meeting, only announced in the morning, followed three days of talks last week during which progress was made after Britain gave a "positive response" to a new package of Chinese proposals. It is understood that Chinese team leader Chen Zuor has flown back to Beijing to seek instructions. He returned to the territory on Tuesday.



**Territory Can Sign Own Tax Agreements After 1997**

HK0806040495 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
8 Jun 95 p 1

[By Josephine Ma]

[FBIS Transcribed Text] Most of China's tax treaties with other countries do not apply to Hong Kong after 1997, according to a senior mainland tax official. Foreign Tax Department director Chen Lianbo said the Special Administrative Region (SAR) Government would have the autonomy to sign its own tax treaties with other countries under the name of China Hong Kong.

He said in Hong Kong yesterday the tax systems of China and Hong Kong were so different that the tax agreements signed by China could not be applied directly to the territory. The Basic Law gave the SAR Government autonomy to decide its own tax system and sign its own tax treaties with other countries, he said. "Most of the tax treaties between China and other countries are about enterprise income tax and personal income tax," he said. "They are not applicable in Hong Kong in most of the cases."

Mr Chen said the SAR Government would have to modify the terms of the treaties if it wanted to benefit from some of them. China has signed tax treaties with 46 countries. The territory has none.

Mr Chen reiterated that the circular on China's planned reduction of value-added-tax rebates still had not been issued. The government planned to introduce the reduced rebates on July 1, but this might be postponed. Deloitte Touche Tohmatsu tax partner Joseph Fu said the new measure would not cause a flood of exports to beat the launch date. He said foreign enterprises preferred a stable system and reduction in the rebate would not hamper investment if the rules were clear.

**Boat People Subdued After Camp Protest**

HK0806011895 Hong Kong AFP in English  
0024 GMT 8 Jun 95

[FBIS Transcribed Text] Hong Kong, June 8 (AFP)—The authorities regained control of a prison camp for Vietnamese boat people Thursday after storming each barracks to roundup protesters who had attempted to set fire to liquid propane gas, an AFP correspondent at the scene said.

Security forces had raided barracks after barracks at the High Island camp in their search for approximately 50 inmates who tried to ignite fuel containers during the

protest, the government said, adding that the camp was back under its control.

The forces had fired tear gas into the compound before sending in an armored car, then rounding up women and children and taking them to a safe section of the camp before they swept through the barracks.

Just after midnight (1600 GMT), camp officers had fired rounds of tear gas at the 50 Vietnamese after they gathered outside an administration block and tried to set fire to liquid propane gas canisters in the kitchen, a government spokesman said.

"For safety reasons, to stop them, the Correctional Services Officers used tear gas to try to bring the situation back under control," the spokesman said.

The protest came as refugee workers here said late Wednesday that the Hong Kong authorities were planning a "forced repatriation raid" on the detention center, aimed at transferring inmates to prison.

Such a move would normally come ahead of forced repatriation of the asylum-seekers to Vietnam, a move which they have often opposed with force.

Refugee Concern Hong Kong said quoting "inside sources" that a raid was planned for later Thursday and that residents in some parts of the camp had been warned that large amounts of tear gas would be used on targeted residents in another part of the camp.

It said the move, which would coincide with the debating of a bill by the U.S. Congress that could allow some boat people to resettle in the United States, would trigger a "serious confrontation."

Spokesman Rob Brook said: "Tomorrow we will witness a riot that has been stage-managed by the Hong Kong government and UNHCR. There will be a serious confrontation which the (government) and UNHCR will attempt to blame on the U.S. congressional proposal to re-settle asylum seekers in certain categories who are detained in SouthEast Asian camps."

In recent weeks, operations to move thousands of Vietnamese from the Whitehead detention centre ahead of their deportation have ended in violence.

On May 20, thousands of rounds of tear gas were fired after Vietnamese in the camp fought the authorities with homemade spears, knives and stones in what a government official called "well-organized resistance."

Many inmates from Whitehead were transferred to High Island and Refugee Concern said that these would be the primary targets in an operation Thursday.

The United Nations High Commissioner for Refugees (UNHCR) administers the voluntary repatriation program under way following an agreement between Hanoi and London in 1992 to send home forcibly Vietnamese deemed not to be political refugees.

Hong Kong intends to clear out all 20,000 Vietnamese remaining in its detention centres by the middle of 1996, a year before the British colony reverts to Chinese rule the following year.

The boat people landed in Hong Kong with hopes of resettlement in the West, but their dreams were dashed when they were deemed to be economic migrants rather than political refugees.

Hong Kong is encouraging the Vietnamese to accept voluntary repatriation, as 45,000 have done since 1989, but it also has a parallel, smaller scheme of sending them back by force.

### **Macao**

#### **Tourism Official Visits Macao**

*OW0506120095 Beijing XINHUA in English  
1130 GMT 5 Jun 95*

[FBIS Transcribed Text] Macao, June 5 (XINHUA) — China's National Tourism Administration Director Liu Yi arrived here this morning for a two-day visit at the invitation of the Under-Secretary of Communications, Tourism and Culture of the Macao government Antonio Manuel Salavessa da Costa.

During his stay in Macao, Liu will hold talks with the under-secretary of communications, tourism and culture and the Macao governor.

He will also have a sight-seeing tour around Macao's scenic spots and visit concerned departments of local government and large-scale projects, including the Macao International Airport.

Liu will leave Macao on Wednesday.

#### **International Airport To Conduct Flight Test**

*HK0806113395 Hong Kong HONGKONG  
STANDARD in English 8 Jun 95 p 4*

[By Harald Bruning in Macao]

[FBIS Transcribed Text] The first flight test at the Macao International Airport off Taipa Island will be held on 12 June between 6 am and 8 am. A spokesman for the airport project said yesterday the flight test would be carried out by a twin-engined King Air 200 of Germany's Siemens AG, one of the main three construction contractors of the Macao International Airport.

The flight tests are planned to last at least two weeks. "We are going to test all the airport's navigation instruments, which later will have to be approved by the respective civil aviation authorities," the spokesman said.

All construction work on the airport is scheduled to be completed by 18 August. The official inauguration date has been set for 8 December, but commercial passenger flights could start as early as November. Site preparation began in late 1989 and construction costs have been budgeted at eight billion patacas.

#### **Correction to Foreign Passport No Guarantee of Protection**

*HK0706025095*

The following correction pertains to the item headlined "Foreign Passport No Guarantee of Protection," published in the 6 June China DAILY REPORT, pages 104-105:

Page 104, column two, sourceline make read: ... Hong Kong SOUTH CHINA MORNING POST in English 5 Jun 95 p 2 ... (correcting date).

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